As filed with the Securities and Exchange Commission on September 28, 2015

Registration Number 333-206658

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

Amendment No. 3
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CYTOMX THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	2834	27-3521219
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

343 Oyster Point Blvd.
Suite 100
South San Francisco, CA 94080
(650) 515-3185

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

Sean A. McCarthy, D.Phil.
President and Chief Executive Officer
CytomX Therapeutics, Inc.
343 Oyster Point Blvd.
Suite 100
South San Francisco, CA 94080
(650) 515-3185

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

With copies to:

Sam Zucker, Esq. **Robert A. Ryan, Esq.** **Sidley Austin LLP** **1001 Page Mill Road, Building 1** **Palo Alto, CA 94304** **Telephone: (650) 565-7000** **Fax: (650) 565-7100**	**Mark V. Roeder, Esq.** **Brian J. Cuneo, Esq.** **Latham & Watkins LLP** **140 Scott Drive** **Menlo Park, CA 94025** **Telephone: (650) 328-4600** **Fax: (650) 463-2600**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered(1)(2)	Proposed Maximum Aggregate Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $0.00001 per share	7,666,667	$16.00	$122,666,672.00	$14,253.87

(1) Includes 1,000,000 shares of common stock that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended.
(3) The registrant previously paid a total of $11,620.00 in connection with previous filings of the registration statement. In accordance with Rule 457(a), an additional registration fee of $2,633.87 is being paid with this amendment to the registration statement.

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

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The information contained 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 is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated September 28, 2015

PROSPECTUS

6,666,667 Shares

CytomX Therapeutics, Inc.

Common Stock

We are offering shares of our common stock. This is our initial public offering and no public market currently exists for our common stock. We expect the initial public offering price to be between $14.00 and $16.00 per share.

We have applied to list our common stock on The NASDAQ Global Market under the symbol "CTMX." We are an "emerging growth company" as defined by the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our common stock involves a high degree of risk. Please read "Risk Factors" beginning on page 12 of this prospectus before making a decision to invest in our common stock.

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

	PER SHARE	TOTAL
Public Offering Price	$	$
Underwriting Discounts and Commissions*	$	$
Proceeds to us before expenses	$	$

* We refer you to "Underwriting" beginning on page 160 for additional information regarding underwriting compensation.

Pfizer Inc. ("Pfizer"), an existing stockholder and collaboration partner that is affiliated with one of our directors, has indicated an interest in purchasing up to $5.0 million in shares of our common stock in this offering. In addition, Bristol-Myers Squibb Company ("BMS"), another of our collaboration partners, has indicated an interest in purchasing up to $10.0 million in shares of our common stock in this offering. In each case, any shares of our common stock purchased by Pfizer or BMS would be purchased at the initial public offering price and on the same terms as the other purchasers in this offering. However, because indications of interest are not binding agreements or commitments to purchase, each of Pfizer and BMS may purchase fewer shares than it indicated an interest in purchasing or not purchase any shares in this offering.

Delivery of the shares of our common stock is expected to be made on or about , 2015. We have granted the underwriters an option for a period of 30 days to purchase an additional 1,000,000 shares of our common stock.

Joint Book-Running Managers

BofA Merrill Lynch **Jefferies** **Cowen and Company**

Co-Manager

Oppenheimer & Co.

The date of this prospectus is , 2015.

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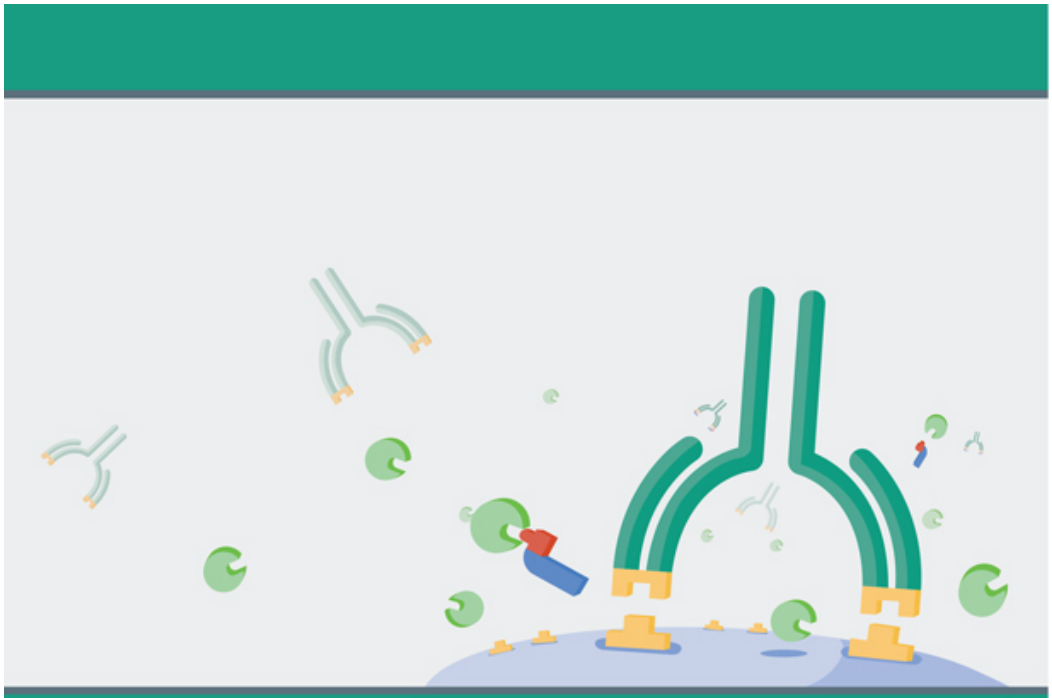

Transforming Lives with Safer, More Effective Therapies

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Explanatory Note

Unless we state otherwise or the context otherwise requires, references in this prospectus to:

- "we," "our," "us," "our company" and "CytomX" refer to CytomX Therapeutics, Inc.;
- the "FDA" refer to the U.S. Food and Drug Administration;
- "preferred stock" refer to our redeemable convertible preferred stock and convertible preferred stock;
- the "JOBS Act" refer to the Jumpstart Our Business Startups Act of 2012;
- the "Securities Act" refer to the Securities Act of 1933, as amended;
- the "Exchange Act" refer to the Securities Exchange Act of 1934, as amended; and
- the "SEC" refer to the Securities and Exchange Commission.

About This Prospectus

We and the underwriters have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus or such other date as may be specified in this prospectus.

We have proprietary rights to trademarks, trade names and service marks appearing in this prospectus that are important to our business. Solely for convenience, the trademarks, trade names and service marks may appear in this prospectus without the ® and ™ symbols, but any such references are not intended to indicate, in any way, that we forgo or will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, trade names and service marks. All trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

Any discrepancies included in this prospectus between totals and the sums of the percentages and dollar amounts presented are due to rounding.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained in greater detail elsewhere in this prospectus and does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, 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.

Our Company

Overview

We are an oncology-focused biopharmaceutical company pioneering a novel class of antibody therapeutics based on our Probody technology platform. We are using our platform to create proprietary cancer immunotherapies against clinically-validated targets as well as to develop first-in-class cancer therapeutics against novel targets. We believe that our Probody platform will allow us to improve the combined efficacy and safety profile, or therapeutic window, of monoclonal antibody modalities including cancer immunotherapies, antibody drug conjugates ("ADCs") and T-cell-recruiting bispecific antibodies. Our Probody therapeutics are designed to take advantage of unique conditions in the tumor microenvironment to enhance the tumor-targeting features of an antibody and reduce drug activity in healthy tissues. We are currently developing Probody therapeutics that address clinically-validated cancer targets in immuno-oncology, such as PD-L1, as well as novel targets, such as CD-166, that are difficult to drug and lead to concerns about damage to healthy tissues, or toxicities. In addition to our proprietary programs, we are collaborating with strategic partners including BMS, Pfizer and ImmunoGen, Inc. ("ImmunoGen") to develop selected Probody therapeutics. Our broad technology platform and lead product candidates are supported by a decade of thorough scientific research and strong intellectual property, and we are advancing these candidates toward clinical trials. Our vision is to transform lives with safer, more effective therapies. To realize this vision we are executing on our mission of changing the treatment of cancer by urgently advancing our Probody pipeline.

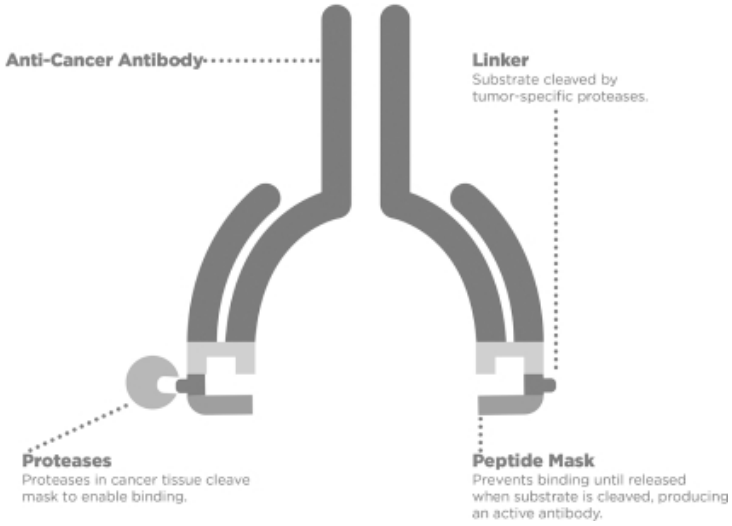
The premise of our Probody platform is to apply the prodrug concept to create a therapeutic antibody that remains inactive until it reaches the tumor. Probody therapeutics therefore have the potential to produce additional tumor specificity and enhanced safety profiles because they are designed to have limited interaction with their molecular targets in healthy tissue. This approach of dosing drugs in a form such that they are only activated after reaching certain tissues is called the prodrug approach, and has been used with many small molecule drugs, but has never before been effectively pursued using therapeutic antibodies.

Cancer is the second leading cause of death in the United States, accounting for nearly one in every four deaths. Over the past several decades, cancer research and treatment has evolved from small molecule chemotherapy agents to more targeted monoclonal antibodies and, more recently, cancer immunotherapies that aim to enhance the ability of the immune system to attack tumors. Despite these advancements, many therapeutic antibodies have the inherent limitation of suboptimal therapeutic window. We believe that there remains a significant need for therapeutics that are efficacious, safe and tolerable and that our technology represents the next evolution of targeted cancer therapies.

Our Platform

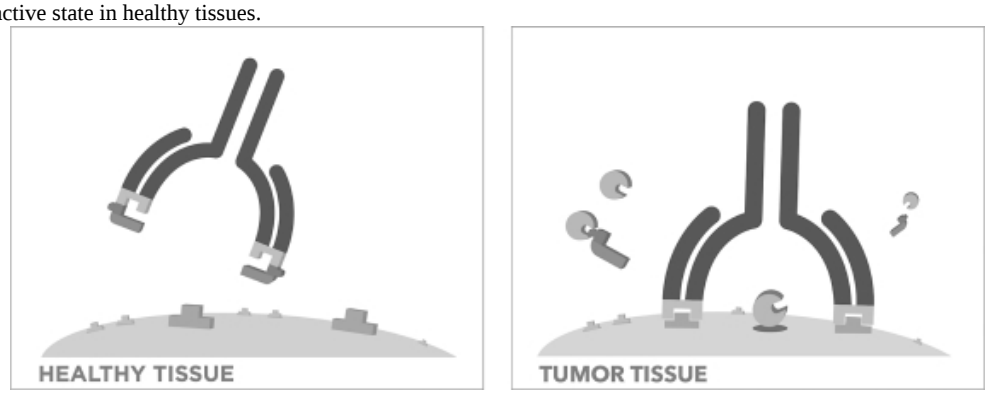
A Probody therapeutic consists of three components produced as a single protein by standard antibody production methodology: an active anti-cancer antibody, a mask for the antibody and a protease-cleavable linker. The mask is a peptide designed to disguise the active binding site of the antibody to prevent the therapeutic from

binding to healthy tissues. The following graphic depicts the three components of a Probody therapeutic, interacting with a protease:



When a Probody therapeutic enters a tumor, it encounters proteases, which are enzymes that cleave proteins and are active primarily in the tumor microenvironment. The proteases in the tumor cleave the linker, releasing the mask and allowing the antibody to attack the tumor.

The activity of proteases is a hallmark of virtually every type of solid tumor that has been studied, with thousands of scientific papers documenting this phenomenon. Our Probody technology is designed to take advantage of the fact that while proteases are active in cancerous tissues, they remain under tight physiological control in healthy tissues. Probody technology uses tumor-associated proteases to selectively cleave and activate Probody therapeutics in the immediate vicinity of tumors. Our Probody therapeutics are therefore designed to be activated by proteases predominantly in the tumor microenvironment while remaining largely in an inactive state in healthy tissues.



Key Advantages of our Probody Platform

We believe that our Probody platform provides the following key advantages:

- *A novel therapeutic antibody class enabled by our proprietary platform.* We believe we have a differentiated technology platform that gives us a substantial competitive advantage supported by more than a decade of research and strong intellectual property.
- *Potential to improve the therapeutic window of antibody-based therapeutics.* By engineering our therapeutics to selectively activate in the tumor microenvironment, our Probody product candidates have the potential to improve safety and tolerability while simultaneously achieving better outcomes.
- *Ability to combine more effectively with other therapies.* We believe the therapeutic window and tumor specificity of our candidates will reduce the dose-limiting toxicities observed in combination therapies and thus enable new combinations with other cancer therapies that were previously difficult or impossible to use.
- *Applicability across many molecular targets.* We believe that our technology addresses many different molecular targets expressed by many different kinds of tumors—including targets that are difficult to address because they are also expressed on healthy tissue—because Probody therapeutics are designed to have limited interaction with non-cancerous tissues.
- *Versatility across antibody modalities.* We believe that our technology can be applied to any antibody-based therapy, including novel potent modalities like ADCs, T-cell-recruiting bispecific antibodies and CARs, which are cell-based therapies that contain chimeric antigen receptors.

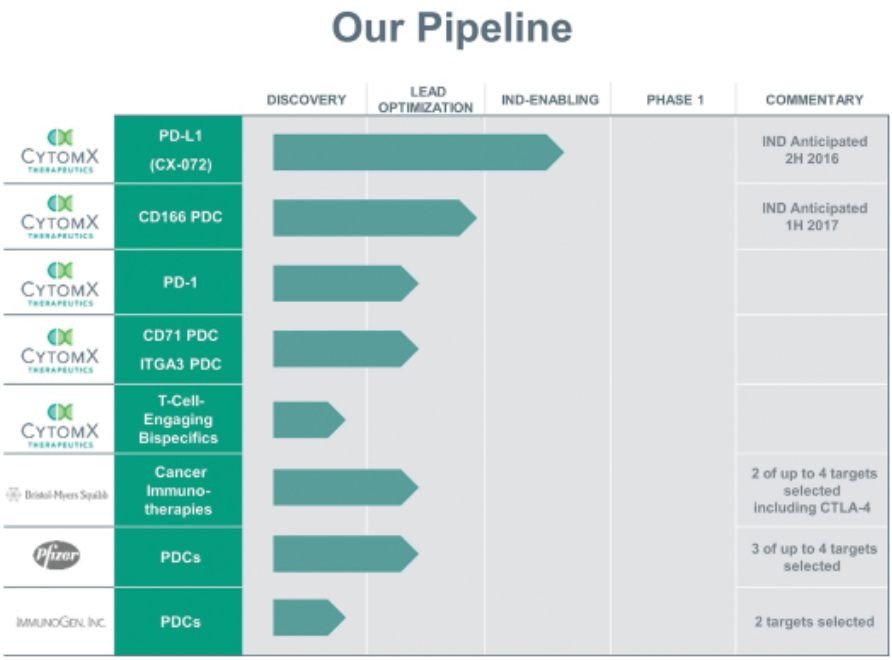
Pipeline Strategies

We have three pipeline strategies that we are pursuing with our Probody platform:

- *Develop a novel class of cancer immunotherapies directed against clinically-validated targets.* Through our technology platform, we believe that we can expand the therapeutic window where current therapies have encountered challenges with respect to safety or efficacy.
- *Develop novel first-in-class therapeutics directed against difficult-to-drug targets.* We believe we can create a therapeutic window in patients for targets where none exists because current approaches have not been expected to be viable as a result of toxicity concerns.
- *Collaborate with leading biopharmaceutical companies to discover and develop Probody therapeutics against selected targets.* Since 2013, we have entered into product-focused collaborations with BMS, Pfizer and ImmunoGen to develop certain Probody therapeutics.

Our Pipeline

The following chart provides an overview of the status of each of our programs:



Our Lead Probody Candidates

CX-072. The normal role of the PD-L1/PD-1 pathway is to prevent autoimmune attacks against healthy tissue in the body. Due to the systemic inhibition of this pathway by current cancer immunotherapies, patients face the risk of a number of adverse events associated with inappropriate activation of the immune system beyond the tumor site, including severe lung inflammation. Thus, although PD-L1/PD-1 pathway inhibitors are highly promising in multiple cancers, their toxicity presents a challenge that has not been successfully addressed by existing therapies, particularly when used in combination with other immunotherapies. Our PD-L1 Probody therapeutic, CX-072, is based on a monoclonal antibody targeting PD-L1 that we developed. We anticipate filing an Investigational New Drug application (an "IND"), or similar regulatory filing, for CX-072 with the FDA or a foreign regulatory authority in the second half of 2016. CX-072 has *in vivo* efficacy comparable to published reference PD-L1-targeting antibodies in various animal models. We expect the tolerability of CX-072 to be higher than other PD-L1-targeting antibodies due to the fact that CX-072's activity has been shown to be attenuated by the mask such that it does not significantly inhibit the PD-L1/PD-1 checkpoint pathway outside of the tumor.

CD-166 Probody Therapeutic. CD-166, also referred to as activated leukocyte cell adhesion molecule ("ALCAM"), is involved with cell adhesion and migration. Its expression has been linked to cancer stem cells and overall poor prognosis in cancers such as colorectal cancer. However, CD-166 is a poor candidate for standard antibody-based therapies, including ADCs, because it is widely expressed in many normal tissues. Our CD-166 PDC is a Probody drug conjugate (a "PDC"), composed of a Probody therapeutic targeting the CD-166 protein antigen coupled to a highly potent cytotoxic drug. We anticipate filing an IND for CD-166 PDC in the first half of 2017. We believe that the wide expression of CD-166 would rule out the development of a standard

ADC against this target. By contrast, based on preclinical findings, our Probody platform enables us to generate a CD-166 antibody product candidate that remains largely inactive until it reaches the tumor, thus reducing the unwanted toxicity associated with binding to cells in normal tissue. As a result, we believe we can create a therapeutic window in patients for CD-166 where none existed before. We chose to conjugate the antibody component of our CD-166 Probody candidate with a highly potent cytotoxic drug, DM4, developed by and licensed from our partner ImmunoGen.

CTLA-4 Probody product candidate in collaboration with BMS. We are developing a CTLA-4 Probody therapeutic with BMS. Cytotoxic T-lymphocyte-associated antigen 4 ("CTLA-4") is an immune checkpoint involved in regulating T-cell activation. BMS is currently marketing a CTLA-4 monoclonal antibody, Yervoy, that has been approved for unresectable or metastatic melanoma. CTLA-4 antibodies lead to T-cell activation for a wide range of antigens, including tumor antigens, which is the basis for its anti-tumor effect, and self-antigens, which may be the basis for the autoimmune toxicities associated with CTLA-4 antibody therapies. We believe that our CTLA-4 Probody therapeutic can be dosed systemically, achieve localized tumor-specific activation, and thus achieve a clinically important improvement in safety.

Our Business Strategy

We are utilizing our innovative Probody platform to build a long-term, multiproduct company focused on the development of new cancer treatments. Our strategy encompasses the following key elements:

- Develop and advance our pipeline of Probody cancer immunotherapies directed against clinically-validated targets.
- Develop and advance our pipeline of first-in-class Probody cancer therapies directed against novel targets.
- Establish collaborations on selected programs with leading biopharmaceutical companies while retaining significant ownership of our pipeline.
- Maximize value creation by advancing our lead product candidates to commercialization, by ourselves or with partners.
- Maintain our competitive advantage by continuing to invest in our Probody platform for the long term.
- Nurture and reinforce our company's culture and core values to drive the highest levels of performance and continue to attract the best talent.

Risks Related to Our Business

Our ability to implement our current business strategy is subject to numerous risks, as more fully described in the section entitled "Risk Factors" beginning on page 12 of this prospectus. These risks include, among others, the following:

- We are a preclinical biopharmaceutical company with a limited operating history, which has incurred significant losses since inception, may never become profitable and may continue to incur substantial and increasing net losses for the foreseeable future as we continue development of, and seek regulatory approvals for, our product candidates.

- Even if we consummate this offering, we will need to raise additional funds to support our operations. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate some or all of our product development programs or commercialization efforts.
- We are very early in our development efforts, and none of our product candidates have ever been administered to a human subject. Our product candidates may fail in development or suffer delays that materially and adversely affect their commercial viability. If we are unable to advance our product candidates to clinical development, obtain regulatory approval and ultimately commercialize our product candidates or experience significant delays in doing so, our business, financial condition, results of operations and prospects may be materially and adversely affected.
- Our approach to the discovery and development of innovative therapeutic treatments based on novel technologies is unproven and may not result in products with commercial value.
- If clinical trials of our product candidates fail to demonstrate safety and efficacy, we may be unable to obtain regulatory approvals and commercialize our product candidates.
- We are subject to regulatory approval processes that are lengthy, time-consuming and unpredictable. We may not obtain approval for any of our product candidates from the FDA or foreign regulatory authorities.
- Even if we obtain regulatory approval, the market may not be receptive to our product candidates or we may be unable to market any of our product candidates to achieve acceptance and use by the medical community.
- We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.
- If our existing collaboration agreements are terminated or one or more product candidates are not advanced under the collaboration agreements, our revenue and cash resources from milestone payments will be substantially less than we anticipate.
- It is difficult and costly to protect our intellectual property rights.
- We may face competition from other companies in our field or claims from third parties alleging infringement of their intellectual property.
- We may be unable to recruit or retain key employees, including members of our senior management team.
- We depend on the performance of third parties, including contract research organizations (“CROs”) and third-party manufacturers.

Biopharmaceutical product development, particularly in the field of oncology, is a highly speculative undertaking and involves a substantial degree of risk. We do not currently have any product candidates in clinical trials or approved for sale, and we continue to incur significant research and development and general and administrative expenses related to our operations. We are not profitable and have incurred losses in each year since our founding in 2008. Our net loss for the years ended December 31, 2013 and 2014 was $15.1 million and $30.3 million, respectively. Our net loss for the six months ended June 30, 2015 was $12.0 million. As of June 30, 2015, we had an accumulated deficit of $92.6 million. We expect to continue to incur significant losses for the foreseeable future. Even if we achieve profitability in the future, we may not be able to sustain that profitability in subsequent periods.

We will not be permitted to market our product candidates in the U.S. until we receive regulatory approval from the FDA, and approval by foreign regulatory agencies will be required to market our product candidates in other countries. We have not submitted an application for or received marketing approval for any of our product candidates. Regulatory approval of our product candidates is not guaranteed, and the approval process is expensive, complex and may take several years.

Implications of Being an Emerging Growth Company

As a company with less than $1.0 billion in revenues during our last fiscal year, we qualify and intend to characterize ourselves as an "emerging growth company" under the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we may present only two years of audited financial statements and only two years of related management discussion and analysis of financial condition and results of operations;
- we are exempt from the requirement to obtain an attestation and report from our auditors on management's assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- we are permitted to provide less extensive disclosure about our executive compensation arrangements; and
- we are not required to give our stockholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We have elected to take advantage of the scaled disclosure requirements and other relief described above in this prospectus and may take advantage of these exemptions for so long as we remain an emerging growth company. In general, we will be an emerging growth company until the earliest of (i) the end of the fiscal year during which we have total annual gross revenues of $1.0 billion or more, (ii) the end of the fiscal year following the fifth anniversary of the completion of this offering, (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt and (iv) the date on which we are deemed to be a "large accelerated filer," which will occur at such time that we (a) have an aggregate worldwide market value of common equity securities held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (b) have been required to file annual and quarterly reports under the Exchange Act for a period of at least 12 months and (c) have filed at least one annual report pursuant to the Exchange Act.

In addition to scaled disclosure and the other relief described above, the JOBS Act permits us an extended transition period for complying with new or revised accounting standards affecting public companies. We do not intend to take advantage of this extended transition period, which means that the financial statements included in this prospectus, as well as any financial statements that we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies.

Corporate Information

Our operations commenced in February 2008 when our predecessor entity was formed. We were incorporated in Delaware in September 2010. We maintain our executive offices at 343 Oyster Point Blvd., Suite 100, South San Francisco, California 94080, and our main telephone number is (650) 515-3185. We maintain a website at www.cytomx.com, which contains information about us. The information contained in, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus and should not be considered part of this prospectus.

THE OFFERING

Issuer	CytomX Therapeutics, Inc.
Common stock offered by us	6,666,667 shares.
Common stock to be outstanding immediately after this offering	34,924,789 shares (35,924,789 shares if the underwriters exercise in full their option to purchase additional shares of common stock).
Underwriters' option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to 1,000,000 additional shares at the public offering price less estimated underwriting discounts and commissions.
Dividend policy	We have never paid cash dividends on our common stock and we do not anticipate paying any cash dividends in the foreseeable future. See "Dividend Policy."
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $89.8 million (approximately $103.8 million if the underwriters exercise in full their option to purchase additional shares of common stock), at an assumed public offering price of $15.00 per share, after deducting the estimated underwriting discounts and commissions and our estimated offering expenses. This offering is intended to provide funding through first-in-human studies of our two lead programs. In particular, we intend to use the net proceeds from this offering for (i) the development of CX-072, including our planned Phase 1 clinical trials and product candidate manufacturing; (ii) the development of our Probody therapeutic directed against CD-166, including our planned Phase 1 clinical trials and product candidate manufacturing; (iii) research and development activities, including discovery of additional cancer immunotherapies and first-in-class therapeutics directed against difficult-to-drug targets; and for working capital and other general corporate purposes. See "Use of Proceeds" for additional information.
Proposed NASDAQ symbol	"CTMX"
Risk factors	You should carefully read and consider the information set forth under "Risk Factors" beginning on page 12 and all 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.

The number of shares of our common stock to be outstanding after this offering is based on 28,258,122 shares of our common stock outstanding as of August 31, 2015, which includes the conversion of all of our shares of preferred stock outstanding as of August 31, 2015 into shares of our common stock and the net exercise of all outstanding warrants to purchase shares of our preferred stock.

The number of shares of common stock to be outstanding after this offering excludes:

- 629,307 shares of common stock, with a per share weighted-average exercise price of $1.134, issuable upon exercise of stock options outstanding as of August 31, 2015 under our 2010 Stock Incentive Plan (the "2010 Plan"), of which options to purchase 7,624 shares of common stock have been exercised at an exercise price of $1.134 per share subsequent to August 31, 2015;
- 4,710,731 shares of common stock, with a per share weighted-average exercise price of $3.877, issuable upon exercise of stock options outstanding as of August 31, 2015 under our 2011 Stock Incentive Plan, as amended (the "2011 Plan"), of which options to purchase 23,543 shares of common stock have been exercised at a weighted-average exercise price of $1.443 per share subsequent to August 31, 2015;
- 627,250 shares of common stock reserved for issuance pursuant to future awards under the 2011 Plan as of August 31, 2015;
- 2,444,735 shares of common stock (or approximately 7% of the total number of shares of our common stock outstanding immediately following the consummation of this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock) reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, which will become effective on the day preceding the effectiveness of the registration statement to which this prospectus relates; and
- 354,466 shares of common stock reserved for issuance pursuant to future awards under our 2015 Employee Stock Purchase Plan, which will be effective upon the completion of this offering.

Unless otherwise expressly stated or the context otherwise requires, the information in this prospectus assumes or reflects:

- a one-for-62.997 reverse stock split of our common stock, to be effected prior to the effectiveness of the registration statement to which this prospectus relates;
- the conversion of all of our outstanding shares of preferred stock into an aggregate of 27,135,453 shares of common stock immediately prior to the completion of this offering;
- the net exercise of all outstanding warrants to purchase shares of our preferred stock resulting in the issuance of an aggregate of 64,836 shares of our common stock, which will occur upon the closing of this offering;
- no exercise of the underwriters' option to purchase additional shares of our common stock; and
- the amendment and restatement of our certificate of incorporation and bylaws, which will occur immediately prior to the completion of this offering.

Indications of Interest

Pfizer, an existing stockholder and collaboration partner that is affiliated with one of our directors, has indicated an interest in purchasing up to $5.0 million in shares of our common stock in this offering. In addition, BMS, another of our collaboration partners, has indicated an interest in purchasing up to $10.0 million in shares of our common stock in this offering. In each case, any shares of our common stock purchased by Pfizer or BMS would be purchased at the initial public offering price and on the same terms as the other purchasers in this offering. Assuming an initial public offering price of $15.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, Pfizer and BMS may collectively purchase up to an aggregate of approximately 1,000,000 of the 6,666,667 shares offered in this offering based on these indications of interest. However, because indications of interest are not binding agreements or commitments to purchase, each of Pfizer and BMS may purchase fewer shares than it indicated an interest in purchasing or not purchase any shares in this offering.

SUMMARY FINANCIAL AND OTHER DATA

The following tables set forth a summary of our historical financial data as of and for the periods indicated. We have derived the summary statements of operations data for the years ended December 31, 2013 and 2014 from our audited financial statements included elsewhere in this prospectus. We have derived the summary statements of operations data for the six months ended June 30, 2014 and 2015, and the summary balance sheet data as of June 30, 2015, from our unaudited interim financial statements included elsewhere in this prospectus. We have prepared the unaudited interim financial statements on the same basis as the audited financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair statement of the financial information set forth in those statements. Our historical results are not necessarily indicative of our future results and our interim results are not necessarily indicative of results to be expected for the full year ending December 31, 2015, or any other period. The following summary financial data should be read in conjunction with "Selected Historical Financial Information and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
	(In thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 888	$ 5,077	$ 1,301	$ 3,785
Operating expenses:				
Research and development	10,890	28,302	20,047	9,697
General and administrative	4,954	6,540	2,896	4,498
Total operating expenses	15,844	34,842	22,943	14,195
Loss from operations	(14,956)	(29,765)	(21,642)	(10,410)
Interest income	6	7	3	467
Interest expense	(254)	(487)	(261)	(638)
Other income (expense), net	71	(55)	(34)	(1,431)
Net loss before provision for income taxes	(15,133)	(30,300)	(21,934)	(12,012)
Provision for income taxes	10	10	—	5
Net loss	(15,143)	(30,310)	(21,934)	(12,017)
Accretion of redemption value and cumulative dividends on preferred stock	(3,751)	(4,566)	(2,201)	(3,189)
Net loss attributable to common stockholders	$ (18,894)	$ (34,876)	$ (24,135)	$ (15,206)
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (24.46)	$ (35.25)	$ (25.32)	$ (15.22)
Shares used to compute net loss per share attributable to common stockholders, basic and diluted(1)	772,320	989,453	953,029	998,793
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$ (1.85)		$ (0.51)
Shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		16,323,315		20,889,395

(1) See Notes 3 and 19 to our financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders, pro forma net loss per share attributable to common stockholders, and the weighted-average number of shares used in the computation of the per share amounts.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering that will be determined at pricing.

	As of June 30, 2015		
	Actual	Pro Forma(1)	Pro Forma as Adjusted(2)(3)
	(In thousands)		
Balance Sheet Data:			
Cash and cash equivalents	$ 45,842	$ 45,842	$ 135,642
Short-term investments	79,527	79,527	79,527
Working capital	116,320	116,320	206,120
Total assets	134,089	134,089	223,889
Long-term debt, current and non-current	2,292	2,292	2,292
Convertible preferred stock warrant liability	503	—	—
Redeemable convertible preferred stock	155,647	—	—
Convertible preferred stock	474	—	—
Additional paid-in capital	—	156,624	246,424
Accumulated deficit	(92,614)	(92,614)	(92,614)
Total stockholders' (deficit) equity	(93,021)	63,603	153,403

(1) Reflects (i) the conversion of all of our outstanding shares of preferred stock into an aggregate of 27,135,453 shares of our common stock immediately prior to the completion of this offering; (ii) the net exercise of all outstanding warrants to purchase shares of preferred stock resulting in the issuance of an aggregate of 64,836 shares of our common stock upon the closing of this offering and the related reclassification of preferred stock warrant liability to additional paid-in capital; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering.

(2) Reflects the pro forma adjustments described in footnote (1) and the sale and issuance of 6,666,667 shares of our common stock by us in this offering, at the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $6.2 million, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the amount of our cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $14.0 million, assuming an initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus before purchasing our common stock. If any of the following risks, as well as other risks and uncertainties occur, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that case, the market price of our common stock could decline and you could lose some or all of your investment.

Risks Related to Our Business

We are a preclinical stage biopharmaceutical company with a history of losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability, which could result in a decline in the market value of our common stock.

We are a preclinical stage biopharmaceutical company with a limited operating history, developing a novel class of therapeutic antibody product candidates, based on our proprietary biologic Probody technology platform. Since our inception, we have devoted our resources to the development of Probody therapeutics. We have had significant operating losses since our inception. As of June 30, 2015, we had an accumulated deficit of $92.6 million. For the years ended December 31, 2013 and 2014 and for the six months ended June 30, 2015, our net loss was $15.1 million, $30.3 million and $12.0 million, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our research and development programs and from general and administrative costs associated with our operations. Though we have developed our Probody platform, our technologies and product candidates are in early stages of development, and we are subject to the risks of failure inherent in the development of product candidates based on novel technologies. We have never generated any revenue from product sales, and have not obtained regulatory approval for any of our product candidates.

Furthermore, we do not expect to generate any revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating losses for the foreseeable future due to the cost of research and development, preclinical studies and clinical trials and the regulatory approval process for our product candidates. We expect our net losses to increase substantially as we enter into clinical development of our lead programs. However, the amount of our future losses is uncertain. Our ability to achieve profitability, if ever, will depend on, among other things, our, or our existing or future collaborators, successfully developing product candidates, obtaining regulatory approvals to market and commercialize product candidates, manufacturing any approved products on commercially reasonable terms, establishing a sales and marketing organization or suitable third-party alternatives for any approved product and raising sufficient funds to finance business activities. If we, or our existing or future collaborators, are unable to develop our technologies and commercialize one or more of our product candidates or if sales revenue from any product candidate that receives approval is insufficient, we will not achieve profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Even if we consummate this offering, we will need substantial additional funds to advance development of our product candidates, and we cannot guarantee that we will have sufficient funds available in the future to develop and commercialize our current or future product candidates.

The development of biopharmaceutical product candidates is capital-intensive. If our product candidates enter and advance through preclinical studies and clinical trials, we will need substantial additional funds to expand our development, regulatory, manufacturing, marketing and sales capabilities. We have used substantial funds to develop our technology and product candidates and will require significant funds to conduct further research and development and preclinical testing and clinical trials of our product candidates, to seek regulatory approvals for our product candidates and to manufacture and market products, if any, that are approved for commercial sale. In addition, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company.

As of June 30, 2015, we had $125.4 million in cash, cash equivalents and short-term investments. Based on our current operating plan, we believe that our available cash, cash equivalents and short-term investments, together with the net proceeds from this offering, will be sufficient to fund our operations through at least 2018. Our future capital requirements and the period for which we expect our existing resources to support our operations may vary significantly from what we expect. Our monthly spending levels vary based on new and ongoing research and development and other corporate activities. Because the length of time and activities associated with successful research and development of our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and any approved marketing and commercialization activities. The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the progress of the development efforts of parties with whom we have entered or may in the future enter into collaborations and research and development agreements;
- the timing and amount of milestone payments we may receive under our collaborations agreements;
- our ability to maintain our current licenses and research and development programs and to establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and hire additional personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

If we are unable to obtain funding on a timely basis or on acceptable terms, we may have to delay, reduce or terminate our research and development programs and preclinical studies or clinical trials, if any, limit strategic opportunities or undergo reductions in our workforce or other corporate restructuring activities. We also could be required to seek funds through arrangements with collaborators or others that may require us to relinquish rights to some of our technologies or product candidates that we would otherwise pursue on our own. We do not expect to realize revenue from sales of products or royalties from licensed products in the foreseeable future, if at all, and unless and until our product candidates are clinically tested, approved for commercialization and successfully marketed. To date, we have primarily financed our operations through the sale of equity securities and payments received under our collaboration agreements. We will be required to seek additional funding in the future and currently intend to do so through additional collaborations, public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these funding sources. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Additional funds may not be available to us on acceptable terms or at all. If we raise additional funds by issuing equity securities, our stockholders will suffer dilution and the terms of any financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets.

Our product candidates are in early stages of development and have never been tested in a human subject. Our product candidates may fail in development or suffer delays that materially and adversely affect their commercial viability.

We have no products on the market and all of our product candidates, including cancer immunotherapies, PDCs and bispecific antibodies, are in early stages of development. In particular, none of our product candidates

have ever been tested in a human subject. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for and successfully commercializing our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or an existing or future collaborator must conduct extensive preclinical tests and clinical trials to demonstrate the safety and efficacy in humans of our product candidates.

We may not have the financial resources to continue development of, or to modify existing or enter into new collaborations for, a product candidate if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- product-related side effects experienced by participants in our clinical trials or by individuals using drugs or therapeutic biologics similar to our product candidates;
- delays in submitting INDs or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;
- unfavorable FDA or other regulatory agency inspection and review of a clinical trial site;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology in particular; or
- varying interpretations of data by the FDA and similar foreign regulatory agencies.

Our approach to the discovery and development of our therapeutic treatments is based on novel technologies that are unproven and may not result in marketable products.

We plan to develop a pipeline of product candidates using our proprietary Probody platform. We believe that product candidates (including cancer immunotherapies, PDCs and bispecific antibodies) identified with our product discovery platform may offer an improved therapeutic approach by taking advantage of unique conditions

in the tumor microenvironment, thereby reducing the dose-limiting toxic effects associated with existing products, which also attack healthy tissue. However, the scientific research that forms the basis of our efforts to develop product candidates based on our Probody platform is ongoing. Further, the scientific evidence to support the feasibility of developing therapeutic treatments based on our Probody platform is both preliminary and limited.

No product candidates based on our Probody platform have been tested in humans. We may ultimately discover that our Probody platform and any product candidates resulting therefrom do not possess certain properties required for therapeutic effectiveness. For example, when administered in a human, the peptide mask may not be cleaved, which would limit the potential efficacy of the antibody and reduce the potential to limit the toxicity of the anti-cancer agent. Probody product candidates may also be unable to remain stable in the human body for the period of time required for the drug to reach the target tissue or they may trigger immune responses that inhibit the ability of the product candidate to reach the target tissue or that cause adverse side effects in humans. We currently have only limited data, and no conclusive evidence, to suggest that we can introduce these necessary properties into our Probody platform and any product candidates. We may spend substantial funds attempting to introduce these properties and may never succeed in doing so. In addition, product candidates based on our Probody platform may demonstrate different chemical and pharmacological properties in patients than they do in laboratory studies. Although our Probody platform and certain product candidates have successful results in animal studies, they may not demonstrate the same chemical and pharmacological properties in humans and may interact with human biological systems in unforeseen, ineffective or harmful ways. As a result, we may never succeed in developing a marketable product, we may not become profitable and the value of our common stock will decline.

Further, we are not aware of any company currently developing a therapeutic using a prodrug approach to antibody drug development and no regulatory authority has granted approval for such therapeutic. As such, we believe the FDA has limited early experience with Probody-based therapeutics in oncology or other disease areas, which may increase the complexity, uncertainty and length of the regulatory approval process for our product candidates. For example, our Probody product candidates contain a linker that is cleaved by proteases in the tumor microenvironment, which releases the peptide mask. This may result in unforeseen events when administered in a human. We and our existing or future collaborators may never receive approval to market and commercialize any product candidate. Even if we or an existing or future collaborator obtains regulatory approval, the approval may be for targets, disease indications or patient populations that are not as broad as we intended or desired or may require labeling that includes significant use or distribution restrictions or safety warnings. We or an existing or future collaborator may be required to perform additional or unanticipated clinical trials to obtain approval or be subject to post-marketing testing requirements to maintain regulatory approval. If our Probody technologies prove to be ineffective, unsafe or commercially unviable, our entire platform and pipeline would have little, if any, value, which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

The market may not be receptive to our product candidates based on a novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.

Even if regulatory approval is obtained for a product candidate, we may not generate or sustain revenue from sales of the product due to factors such as whether the product can be sold at a competitive cost and otherwise accepted in the market. The product candidates that we are developing are based on our Probody platform, which is a new technology and therapeutic approach. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a product or treatment based on our Probody platform and technologies, and we may not be able to convince the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our existing or future collaborators. Market acceptance of our product candidates will depend on, among other factors:

- the timing of our receipt of any marketing and commercialization approvals;

- the terms of any approvals and the countries in which approvals are obtained;
- the safety and efficacy of our product candidates;
- the prevalence and severity of any adverse side effects associated with our product candidates;
- limitations or warnings contained in any labeling approved by the FDA or other regulatory authority;
- relative convenience and ease of administration of our product candidates;
- the willingness of patients to accept any new methods of administration;
- the success of our physician education programs;
- the availability of adequate government and third-party payor reimbursement;
- the pricing of our products, particularly as compared to alternative treatments; and
- availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments.

If any product candidate we commercialize fails to achieve market acceptance, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of our product candidates using our Probody platform. If we fail to enter into such collaborations, or such collaborations are not successful, we may not be able to capitalize on the market potential of our Probody platform and resulting product candidates.

Since 2013, we have entered into collaborations with Pfizer, BMS and ImmunoGen to develop certain Probody therapeutics. In addition, we may in the future seek third-party collaborators for development and commercialization of other therapeutic technologies or product candidates. Biopharmaceutical companies are our prior and likely future collaborators for any marketing, distribution, development, licensing or broader collaboration arrangements. With respect to our existing collaboration agreements, and what we expect will be the case with any future collaboration agreements, we have and would expect to have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates currently pose, and will continue to pose, the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on preclinical or clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;

- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidate if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;

- collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;

- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability;

- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;

- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our product candidate or that result in costly litigation or arbitration that diverts management attention and resources; and

- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of our product candidates in the most efficient manner or at all. If a collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

If our collaborators cease development efforts under our existing or future collaboration agreements, or if any of those agreements are terminated, these collaborations may fail to lead to commercial products and we may never receive milestone payments or future royalties under these agreements.

Substantially all of our revenue to date has been derived from our existing collaboration agreements, and a significant portion of our future revenue and cash resources is expected to be derived from these agreements or other similar agreements we may enter into in the future. Revenue from research and development collaborations depend upon continuation of the collaborations, reimbursement of development costs, the achievement of milestones and royalties, if any, derived from future products developed from our research. If we are unable to successfully advance the development of our product candidates or achieve milestones, revenue and cash resources from milestone payments under our collaboration agreements will be substantially less than expected.

In addition, to the extent that any of our existing or future collaborators were to terminate a collaboration agreement, we may be forced to independently develop these product candidates, including funding preclinical or clinical trials, assuming marketing and distribution costs and defending intellectual property rights, or, in certain instances, abandon product candidates altogether, any of which could result in a change to our business plan and a material and adverse effect on our business, financial condition, results of operations and prospects.

We may not successfully engage in strategic transactions, including any additional collaborations we seek, which could adversely affect our ability to develop and commercialize product candidates, impact our cash position, increase our expense and present significant distractions to our management.

From time to time, we may consider strategic transactions, such as additional collaborations, acquisitions of companies, asset purchases and out- or in-licensing of product candidates or technologies. In

particular, we will evaluate and, if strategically attractive, seek to enter into additional collaborations, including with major biotechnology or biopharmaceutical companies. The competition for collaborators is intense, and the negotiation process is time-consuming and complex. Any new collaboration may be on terms that are not optimal for us, and we may not be able to maintain any new collaboration if, for example, development or approval of a product candidate is delayed, sales of an approved product candidate do not meet expectations or the collaborator terminates the collaboration. Any such collaboration, or other strategic transaction, may require us to incur non-recurring or other charges, increase our near- and long-term expenditures and pose significant integration or implementation challenges or disrupt our management or business. These transactions would entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration or develop acquired products, product candidates or technologies, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses, difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business, impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. Accordingly, although there can be no assurance that we will undertake or successfully complete any transactions of the nature described above, any transactions that we do complete may be subject to the foregoing or other risks and have a material and adverse effect on our business, financial condition, results of operations and prospects. Conversely, any failure to enter any additional collaboration or other strategic transaction that would be beneficial to us could delay the development and potential commercialization of our product candidates and have a negative impact on the competitiveness of any product candidate that reaches market.

If third parties on which we intend to rely to conduct our preclinical studies, or any future clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development program could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.

We intend to rely on third-party clinical investigators, CROs, clinical data management organizations and consultants to design, conduct, supervise and monitor preclinical studies of our product candidates and will do the same for any clinical trials. Because we intend to rely on these third parties and will not have the ability to conduct preclinical studies or clinical trials independently, we will have less control over the timing, quality and other aspects of preclinical studies and clinical trials than we would have had we conducted them on our own. These investigators, CROs and consultants will not be our employees and we will have limited control over the amount of time and resources that they dedicate to our programs. 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 which we may contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

If we cannot contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our clinical development programs could be delayed and otherwise adversely affected. In all events, we will be responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan and protocols for the trial. The FDA requires preclinical studies to be conducted in accordance with good laboratory practices ("GLPs") and clinical trials to be conducted in accordance with good clinical practices ("GCPs"), including for designing, conducting, recording and reporting the results of preclinical studies and clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control will not relieve us of these responsibilities and requirements. Any adverse development or delay in our clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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 trial product supplies. We do not own manufacturing facilities for producing such supplies. 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. In particular, any replacement of our manufacturer could require significant effort and expertise because there may be a limited number of qualified replacements.

The manufacturing process for a 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 current Good Manufacturing Practices ("cGMPs"). In the event that any of our manufacturers fails to comply with such 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 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 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 product candidates in a timely manner or within budget.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any 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 product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our 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 trials of product candidates under development;
- delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates;
- loss of the cooperation of an existing or future collaborator;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- requirements to cease distribution or to recall batches of our product candidates; and
- in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products.

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

In order to conduct clinical trials of our product candidates, we will need to manufacture them in large quantities. We, or any 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 product candidates in sufficient quality and quantity, the development, testing, and clinical trials of that product candidate 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 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.

We may expend our limited 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. 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 collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms. If these companies develop technologies or product candidates more rapidly than we do or their technologies are more effective, our ability to develop and successfully commercialize product candidates may be adversely affected.

The development and commercialization of drugs and therapeutic biologics is highly competitive. We compete with a variety of multinational biopharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors have developed, are developing or will develop product candidates and processes competitive with our product candidates. Competitive therapeutic treatments include those that have already been approved and accepted by the medical community and any new treatments that enter the market. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we may try to develop product candidates. There is intense and rapidly evolving competition in the biotechnology, biopharmaceutical and antibody and immunoregulatory therapeutics fields. We believe that while our Probody platform, its associated intellectual property and our scientific and technical know-how give us a competitive advantage in this space, competition from many sources remains. Our

competitors include larger and better funded biopharmaceutical, biotechnological and therapeutics companies. Moreover, we also compete with current and future therapeutics developed at universities and other research institutions.

We are aware of several companies that are developing cancer immunotherapies and ADCs. Many of these companies are well-capitalized and, in contrast to us, have significant clinical experience, and may include our existing or future collaborators. In addition, these companies compete with us in recruiting scientific and managerial talent.

Our success will partially depend on our ability to develop and protect therapeutics that are safer and more effective than competing products. Our commercial opportunity and success will be reduced or eliminated if competing products that are safer, more effective, or less expensive than the therapeutics we develop.

If our lead product candidates are approved, they will compete with a range of therapeutic treatments that are either in development or currently marketed. Indeed, a variety of oncology drugs and therapeutic biologics are on the market or in clinical development. Such marketed therapies range from ADCs such as Genentech, Inc.'s Kadcyla, immune checkpoint inhibitors such as BMS's Opdivo and T-cell engager immunotherapies such as Amgen, Inc.'s BLINCYTO. In addition, numerous compounds are in clinical development for cancer treatment. With respect to immunogenic cancers such as melanoma, the most common treatments are chemotherapeutic compounds, radiation therapy and now immunotherapeutic antibodies such as ipilimumab and pembrolizumab. The clinical development pipeline for cancer includes small molecules, antibodies and immunotherapies from a variety of groups.

Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. If we successfully obtain approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our products, the ease with which our products can be administered and the extent to which patients accept relatively new routes of administration, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Any inability to attract and retain qualified key management and technical personnel would impair our ability to implement our business plan.

Our success largely depends on the continued service of key management, advisors and other specialized personnel, including Sean A. McCarthy, D.Phil., our president and chief executive officer, W. Michael Kavanaugh, M.D., our chief scientific officer and Rachel W. Humphrey, M.D., our chief medical officer. The loss of one or more members of our management team or other key employees or advisors could delay our research and development programs and have a material and adverse effect on our business, financial condition, results of operations and prospects. The relationships that our key managers have cultivated within our industry make us particularly dependent upon their continued employment with us. We are dependent on the continued service of our technical personnel because of the highly technical nature of our product candidates and technologies and the specialized nature of the regulatory approval process. Because our management team and key employees are not obligated to provide us with continued service, they could terminate their employment with us at any time without penalty. Our future success will depend in large part on our continued ability to attract and retain other highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical testing, manufacturing, governmental regulation and commercialization. We face competition for personnel from other companies, universities, public and private research institutions, government entities and other organizations.

If our product candidates advance into clinical trials, we may experience difficulties in managing our growth and expanding our operations.

We have limited experience in product development and have not begun clinical trials for any of our product candidates. As our product candidates enter and advance through preclinical studies and any clinical trials, we will need to expand our development, regulatory and manufacturing capabilities or contract with other organizations to provide these capabilities for us. In the future, we expect to have to manage additional relationships with collaborators or partners, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls.

If any of our product candidates are approved for marketing and commercialization and we are unable to develop sales, marketing and distribution capabilities on our own or enter into agreements with third parties to perform these functions on acceptable terms, we will be unable to commercialize successfully any such future products.

We currently have no sales, marketing or distribution capabilities or experience. If any of our product candidates is approved, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or enter into collaborations with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with collaborators, we will need to establish and maintain marketing and distribution arrangements with third parties, and there can be no assurance that we will be able to enter into such arrangements on acceptable terms or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties and there can be no assurance that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through third parties, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties.

Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets for which we may rely on collaboration with third parties. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market, and we may never receive such regulatory approval for any of our product candidates. To obtain separate regulatory approval in many other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to the risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and the reduced protection of intellectual property rights in some foreign countries.

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

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these 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 or future collaborators may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our Probody therapeutic candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. 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 reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be materially and adversely affected.

Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could have a material and adverse effect on our business, financial condition, results of operations and prospects.

As we move into conducting clinical trials of our product candidates we will be exposed to significant product liability risks inherent in the development, testing, manufacturing and marketing of therapeutic treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA investigation of the safety and effectiveness of our products, our manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients and a decline in our stock price. We currently have product liability insurance that we believe is appropriate for our stage of development and may need to obtain higher levels prior to marketing any of our product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare 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 trials, 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 material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant fines or other sanctions.

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

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors and consultants we may utilize, may be vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruptions of our operations. For instance, the loss of preclinical data or data from any future clinical trial involving our product candidates could result in delays in our development and regulatory filing efforts and significantly increase our costs. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the development of our product candidates could be delayed.

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research, development and manufacturing involves the use of hazardous materials and various chemicals. We maintain quantities of various flammable and toxic chemicals in our facilities in South San Francisco, California that are required for our research, development and manufacturing activities. We are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. We believe our procedures for storing, handling and disposing these materials in our South San Francisco facilities comply with the relevant guidelines of South San Francisco, the state of California and the Occupational Safety and Health Administration of the U.S. Department of Labor. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by applicable regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of animals and biohazardous materials. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological or hazardous materials. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

Our information technology systems could face serious disruptions that could adversely affect our business.

Our information technology and other internal infrastructure systems, including corporate firewalls, servers, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. A significant disruption in the availability of our information technology and other internal infrastructure systems could cause interruptions and delays in our research and development work.

Our current operations are concentrated in one location, and we or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our current operations are located in our facilities in South San Francisco, California. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully

utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Earthquakes or other natural disasters could further disrupt our operations, and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an “ownership change” (generally defined as a greater than 50 percentage points change (by value) in the ownership of its equity over a rolling three year period), the corporation’s ability to use its pre-change net operating loss carryforwards and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. We may have experienced such ownership changes in the past, and we may experience ownership changes in the future as a result of this offering or subsequent shifts in our stock ownership, some of which are outside our control. As of December 31, 2014, we had federal net operating loss carryforwards of approximately $60.4 million, and our ability to utilize those net operating loss carryforwards could be limited by an “ownership change” as described above, which could result in increased tax liability to our company.

Risks Related to Intellectual Property

If we are not able to obtain and enforce patent protection for our technologies or product candidates, development and commercialization of our product candidates may be adversely affected.

Our success depends in part on our ability to obtain and maintain patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, for our product candidates, methods used to manufacture our product candidates and methods for treating patients using our product candidates, as well as our ability to preserve our trade secrets, to prevent third parties from infringing upon our proprietary rights and to operate without infringing upon the proprietary rights of others. As of September 10, 2015, we solely own six issued patents and 100 pending patent applications; we co-own three issued patents and eight pending patent applications with the Regents of the University of California (“UC”); and, under an exclusive, worldwide license agreement with UC (the “UC Agreement”), we licensed thirteen issued patents and eight pending patent applications that cover compositions and methods related to the screening and identification of masks and protease-cleavable linkers that we incorporate into our Probody candidates. We also licensed UC’s rights in the co-owned patent family. We may not be able to apply for patents on certain aspects of our product candidates in a timely fashion or at all. Our existing issued and granted patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technology. There is no guarantee that any of our pending patent applications will result in issued or granted patents, that any of our issued or granted patents will not later be found to be invalid or unenforceable or that any issued or granted patents will include claims that are sufficiently broad to cover our product candidates

or to provide meaningful protection from our competitors. Moreover, the patent position of biotechnology and biopharmaceutical companies can be highly uncertain because it involves complex legal and factual questions. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our current and future proprietary technology and product candidates are covered by valid and enforceable patents or are effectively maintained as trade secrets. If third parties disclose or misappropriate our proprietary rights, it may materially and adversely affect our position in the market.

The U.S. Patent and Trademark Office ("USPTO") and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case. The standards applied by the 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 biotechnology and biopharmaceutical patents. As such, we do not know the degree of future protection that we will have on our proprietary products and technology. While we will endeavor to try to protect our product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

In addition, there are numerous recent changes to the patent laws and proposed changes to the rules of the USPTO that may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the America Invents Act ("AIA") enacted within the last several years involves significant changes in patent legislation. The Supreme Court has ruled on several patent cases in recent years, some of which cases either narrow the scope of patent protection available in certain circumstances or weaken the rights of patent owners in certain situations. The recent decision by the Supreme Court in *Association for Molecular Pathology v. Myriad Genetics, Inc.* precludes a claim to a nucleic acid having a stated nucleotide sequence that is identical to a sequence found in nature and unmodified. We currently are not aware of an immediate impact of this decision on our patents or patent applications because we are developing product candidates that contain modifications, such as our Probody substrates and masks, that we believe are not found in nature. However, this decision has yet to be clearly interpreted by courts and by the USPTO. We cannot assure you that the interpretations of this decision or subsequent rulings will not adversely impact our patents or patent applications. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Once granted, patents may remain open to opposition, interference, re-examination, post-grant review, inter partes review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against such initial grant. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted claims thus attacked, or may lose the allowed or granted claims altogether. In addition, there can be no assurance that:

- Others will not or may not be able to make, use or sell compounds that are the same as or similar to our product candidates but that are not covered by the claims of the patents that we own or license.

- We or our licensors, or our existing or future collaborators are the first to make the inventions covered by each of our issued patents and pending patent applications that we own or license.

- We or our licensors, or our existing or future collaborators are the first to file patent applications covering certain aspects of our inventions.

- Others will not independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights.
- A third party may not challenge our patents and, if challenged, a court would hold that our patents are valid, enforceable and infringed.
- Any issued patents that we own or have licensed will provide us with any competitive advantages, or will not be challenged by third parties.
- We may develop additional proprietary technologies that are patentable.
- The patents of others will not have a material or adverse effect on our business, financial condition, results of operations and prospects.
- Our competitors do not conduct research and development activities in countries where we do not have enforceable patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets.

Other companies or organizations may challenge our or our licensors' patent rights or may assert patent rights that prevent us from developing and commercializing our products.

Probody therapeutics are a relatively new scientific field. We have obtained grants and issuances of Probody therapeutic patents and have licensed several of these patents from a third party on an exclusive basis for therapeutics applications. The issued patents and pending patent applications in the U.S. and in key markets around the world that we own or license claim many different methods, compositions and processes relating to the discovery, development, manufacture and commercialization of antibody and immunoregulatory therapeutics. Specifically, we own and have licensed a portfolio of patents, patent applications and other intellectual property covering Probody compositions of matter as well as their methods of use.

As the field of antibody and immunoregulatory therapeutics matures, patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. In addition, third parties may attempt to invalidate our intellectual property rights. Even if our rights are not directly challenged, disputes could lead to the weakening of our intellectual property rights. Our defense against any attempt by third parties to circumvent or invalidate our intellectual property rights could be costly to us, could require significant time and attention of our management and could have a material and adverse effect on our business, financial condition, results of operations and prospects or our ability to successfully compete.

There are many issued and pending patents that claim aspects of our product candidates and modifications that we may need to apply to our product candidates. There are also many issued patents that claim antibodies or portions of antibodies that may be relevant for Probody products we wish to develop. Thus, it is possible that one or more organizations will hold patent rights to which we will need a license. If those organizations refuse to grant us a license to such patent rights on reasonable terms, we may not be able to market products or perform research and development or other activities covered by these patents.

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

Obtaining a valid and enforceable issued or granted patent covering our technology in the U.S. and worldwide can be extremely costly. In jurisdictions where we have not obtained patent protection, competitors may use our technology to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where it is more difficult to enforce a patent as compared to the U.S. Competitor products may compete with our future products in jurisdictions where we do not have issued or

granted patents or where our issued or granted patent claims or other intellectual property rights are not sufficient to prevent competitor activities in these jurisdictions. The legal systems of certain countries, particularly certain developing countries, make it difficult to enforce patents and such countries may not recognize other types of intellectual property protection, particularly that relating to biopharmaceuticals. This could make it difficult for us to prevent the infringement of our patents or marketing of competing products in violation of our proprietary rights generally in certain jurisdictions. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

We generally file a provisional patent application first (a priority filing) at the USPTO. An international application under the Patent Cooperation Treaty ("PCT") is usually filed within twelve months after the priority filing. Based on the PCT filing, national and regional patent applications may be filed in the United States, European Union, Japan, Australia and Canada and, depending on the individual case, also in any or all of, *inter alia*, Brazil, China, Hong Kong, India, Israel, Mexico, New Zealand, Russia, South Africa, South Korea and other jurisdictions. 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 grant. 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 laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the U.S., and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions. 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 are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position in the relevant jurisdiction may be impaired and our business and results of operations may be adversely affected.

We or our licensors, or any future strategic partners may become subject to third party claims or litigation alleging infringement of patents or other proprietary rights or seeking to invalidate patents or other proprietary rights, and we may need to resort to litigation to protect or enforce our patents or other proprietary rights, all of which could be costly, time consuming, delay or prevent the development and commercialization of our product candidates, or put our patents and other proprietary rights at risk.

We or our licensors, or any future strategic partners may be subject to third-party claims for infringement or misappropriation of patent or other proprietary rights. We are obligated under the UC Agreement to indemnify and hold harmless UC for damages arising from intellectual property infringement by us resulting from exercise of the license from UC. If we or our licensors, or any future strategic partners are found to infringe a third-party patent or other intellectual property rights, we could be required to pay damages, potentially including treble damages, if we are found to have willfully infringed. In addition, we or our licensors, or any future strategic partners may choose to seek, or be required to seek, a license from a third party, which may not be available on acceptable terms, if at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we or our existing or future collaborators may be unable to effectively market product candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. In addition, we may find it necessary to pursue claims or initiate lawsuits to protect or enforce our patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to

patent or other proprietary rights, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

If we were to initiate legal proceedings against a third party to enforce a patent covering one of our products or our technology, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the U.S., defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant 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 products or certain aspects of our platform technology. Such a loss of patent protection could have a material and adverse effect on our business, financial condition, results of operations and prospects. Patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without legally infringing our patents or other intellectual property rights.

Intellectual property rights of third parties could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to develop or market our product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

Because the antibody landscape is still evolving, it is difficult to conclusively assess our freedom to operate without infringing on third-party rights. There are numerous companies that have pending patent applications and issued patents broadly covering antibodies generally or covering antibodies directed against the same targets as, or targets similar to, those we are pursuing. Our competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover our products or product candidates or elements thereof, or our manufacture or uses relevant to our development plans. In such cases, we may not be in a position to develop or commercialize products or product candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our Probody technologies. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our Probody technologies. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our product candidates or seek a license from any patent holders. No assurances can be given that a license will be available on commercially reasonable terms, if at all.

It is also possible that we have failed to identify relevant third-party patents or applications. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. Patent applications in the U.S. and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our products or platform technology could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies, our products or the use of our products. Third-party intellectual property right holders may also actively bring infringement claims against us. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future

claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our products. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

If we fail to comply with our obligations under any license, collaboration 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 or we could lose certain rights to grant sublicenses.

Our current license imposes, and any future licenses we enter into are likely to impose, various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement and/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, which 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. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor’s rights. 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.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for certain aspects of our product candidates, we also consider trade secrets, including confidential and unpatented know-how important to the maintenance of our competitive

position. We protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the U.S. and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We may be subject to claims that we or our employees or consultants have wrongfully used or disclosed alleged trade secrets of our employees' or consultants' former employers or their clients. These claims may be costly to defend and if we do not successfully do so, we may be required to pay monetary damages and may lose valuable intellectual property rights or personnel.

Many of our employees were previously employed at universities or biotechnology or biopharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper our ability to commercialize, or prevent us from commercializing, our product candidates, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

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

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Risks Related to Government Regulation

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

All of our product candidates are in preclinical development and their risk of failure is high. It is impossible to predict when or if any of our product candidates will prove effective and safe in humans or will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical studies and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the development process. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Product candidates in later stages of clinical trials may fail to show the

desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or safety profiles, notwithstanding promising results in earlier trials.

We plan to commence a Phase 1 clinical trial of CX-072 for cancer in 2016, and a Phase 1 clinical trial of the Probody drug conjugates directed against CD-166 for cancer in 2017. Commencing these clinical trials is subject to finalizing the trial design and filing an IND or similar filing with the FDA or similar foreign regulatory authority. Even after we file our IND or comparable submissions in other jurisdictions, the FDA or other regulatory authorities could disagree that we have satisfied their requirements to commence our clinical trials or disagree with our study design, which may require us to complete additional preclinical studies or amend our protocols or impose stricter conditions on the commencement of clinical trials.

We may experience delays in completing our preclinical studies and initiating or completing clinical trials of our product candidates. We do not know whether planned preclinical studies and clinical trials will be completed on schedule or at all, or whether planned clinical trials will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. Our development programs may be delayed for a variety of reasons, including delays related to:

- the FDA or other regulatory authorities requiring us to submit additional data or imposing other requirements before permitting us to initiate a clinical trial;
- obtaining regulatory approval to commence a clinical trial;
- reaching agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- obtaining institutional review board (“IRB”) approval at each clinical trial site;
- recruiting suitable patients to participate in a clinical trial;
- developing and validating the companion diagnostic to be used in a clinical trial;
- having patients complete a clinical trial or return for post-treatment follow-up;
- clinical trial sites deviating from trial protocol or dropping out of a trial;
- adding new clinical trial sites; or
- manufacturing sufficient quantities of our product candidates for use in clinical trials.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians’ and patients’ perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs or therapeutic biologics that may be approved for the indications we are investigating. Furthermore, we expect to rely on our collaborators, CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and while we expect to enter into agreements governing their committed activities, we have limited influence over their actual performance.

We could encounter delays if prescribing physicians encounter unresolved ethical issues associated with enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Further, a clinical trial may be suspended or terminated by us, our collaborators, the IRBs of the institutions in which such trials are being conducted, the Data Safety Monitoring Board for such trial or by the FDA or other regulatory authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a

clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug or therapeutic biologic, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.

Our product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs and therapeutic biologics. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the U.S. and in many foreign jurisdictions before a new drug or therapeutic biologic can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. It is possible that none of the product candidates we may develop will obtain the regulatory approvals necessary for us or our existing or future collaborators to begin selling them.

We have very limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when regulating us require judgment and can change, which makes it difficult to predict with certainty how they will be applied. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be.

Because the product candidates we are developing may represent a new class of therapeutic biologics, the FDA and its foreign counterparts have not yet established any definitive policies, practices or guidelines in relation to these product candidates. While we believe the product candidates that we are currently developing are regulated as therapeutic biologics that are subject to requirements for review and approval of a Biologics License Application (“BLA”) by the FDA’s Center for Drug Evaluation and Research (“CDER”), the FDA could decide to regulate them as drugs that are subject to requirements for review and approval of a New Drug Application (an “NDA”) by CDER or as biological products that are subject to requirements for review and approval of a BLA by the FDA’s Center for Biologics Evaluation and Research (“CBER”). The lack of policies, practices or guidelines may hinder or slow review by the FDA of any regulatory filings that we may submit. Moreover, the FDA may respond to these submissions by defining requirements we may not have anticipated. Such responses could lead to significant delays in the clinical development of our product candidates. In addition, because there may be approved treatments for some of the diseases for which we may seek approval, in order to receive regulatory approval, we may need to demonstrate through clinical trials that the product candidates we develop to treat these diseases, if any, are not only safe and effective, but safer or more effective than existing products. Furthermore, in recent years, there has been increased public and political pressure on the FDA with respect to the approval process for new drugs and therapeutic biologics, and the FDA’s standards, especially regarding product safety, appear to have become more stringent.

Any delay or failure in obtaining required approvals could have a material and adverse effect on our ability to generate revenues from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a product may be subject to limitations on the approved uses for which we may market the product or the labeling or other restrictions. In addition, the FDA has the authority to require a risk evaluation and mitigation strategies ("REMS") plan as part of an NDA or BLA or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or biologic, such as limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may limit the size of the market for the product and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities outside the U.S. and vice versa.

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

Any regulatory approvals that we or our existing or future collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including "Phase 4" clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. In addition, if the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, import, export, 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 cGMPs and good clinical practices for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or our strategic partners;
- 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 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 if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business.

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

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (together, the "ACA"), was passed, which substantially changes the way health care is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things, subjects therapeutic biologics to potential competition by lower-cost biosimilars, addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs and therapeutic biologics that are inhaled, infused, instilled, implanted or injected, increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs and therapeutic biologics, and a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs and therapeutic biologics to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs and therapeutic biologics to be covered under Medicare Part D.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2024 unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, the Middle Class Tax Relief and Job Creation Act of 2012 required that the Centers for Medicare & Medicaid Services ("CMS"), the agency responsible for administering the Medicare program, reduce the Medicare clinical laboratory fee schedule by 2% in 2013, which served as a base for 2014 and subsequent years. In addition, effective January 1, 2014, CMS also began bundling the Medicare payments for certain laboratory tests ordered while a patient received services in a hospital outpatient setting. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or companion diagnostics or additional pricing pressures.

If we or existing or future collaborators, manufacturers or service providers fail to comply with healthcare laws and regulations, we or they could be subject to enforcement actions, which could affect our ability to develop, market and sell our products and may harm our reputation.

Although we do not currently have any products on the market, once we begin commercializing our product candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal government and the states and foreign governments in which we conduct our business. Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our future arrangements with

third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. 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, or order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the U.S. federal False Claims Act, which imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;

- the U.S. federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and its implementing regulations (“HITECH”), which impose obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouse as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;

- the federal Open Payments regulations under the National Physician Payment Transparency Program have been issued under the ACA, which require that manufacturers of drugs and therapeutic biologics reimbursable under Medicare, Medicaid, and Children’s Health Insurance Programs to report to the Department of Health and Human Services certain consulting fees, travel reimbursements, research grants, and other payments or gifts with values over $10 made to physicians and teaching hospitals; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug and therapeutic biologics manufacturers to report

information related to payments to physicians and other healthcare providers or marketing expenditures, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Ensuring that our future business arrangements with third-parties comply with applicable healthcare laws and regulations could involve substantial costs. If our operations are found to be in violation of any such requirements, we may be subject to penalties, including civil or criminal penalties, monetary damages, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA, or exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid, any of which could adversely our financial results. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

If we or future collaborators, manufacturers or service providers fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to enforcement actions, which could affect our ability to develop, market and sell our products successfully and could harm our reputation and lead to reduced acceptance of our products by the market. These enforcement actions include, among others:

- adverse regulatory inspection findings;
- warning letters;
- voluntary or mandatory product recalls or public notification or medical product safety alerts to healthcare professionals;
- restrictions on, or prohibitions against, marketing our products;
- restrictions on, or prohibitions against, importation or exportation of our products;
- suspension of review or refusal to approve pending applications or supplements to approved applications;
- exclusion from participation in government-funded healthcare programs;
- exclusion from eligibility for the award of government contracts for our products;
- suspension or withdrawal of product approvals;
- seizures or administrative detention of products;
- injunctions; and
- civil and criminal penalties and fines.

If we fail to comply with U.S. and foreign regulatory requirements, regulatory authorities could limit or withdraw any marketing or commercialization approvals we may receive and subject us to other penalties that could materially harm our business.

Even if we receive marketing and commercialization approval of a product candidate, we will be subject to continuing regulatory requirements, including in relation to adverse patient experiences with the product and clinical results that are reported after a product is made commercially available, both in the U.S. and any foreign jurisdiction in which we seek regulatory approval. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS plan after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or therapeutic biologic. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other regulatory agencies, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. If we rely on third-party manufacturers, we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. If we or our existing or future collaborators, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the U.S. or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning letters, holds on clinical trials, delay of approval or refusal by the FDA to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunction, civil penalties and criminal prosecution.

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

The regulations that govern regulatory approvals, pricing and reimbursement for new drugs and therapeutic biologics vary widely from country to country. Some countries require approval of the sale price of a drug or therapeutic biologic before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription biopharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods and negatively impact the revenues we are able to generate from the sale of the product in that country. Adverse pricing limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain regulatory approval.

Our ability to commercialize any products successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government authorities, private health insurers and other organizations. Even if we succeed in bringing one or more products to the market, these products may not be considered cost-effective, and the amount reimbursed for any products may be insufficient to allow us to sell our products on a competitive basis. Because our programs are in the early stages of development, we are unable at this time to determine their cost effectiveness or the likely level or method of reimbursement. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices, and are seeking to reduce the prices charged or the amounts reimbursed for biopharmaceutical products. If the price we are able to charge for any products we develop, or the reimbursement provided for such products, is inadequate in light of our development and other costs, our return on investment could be adversely affected.

There may be significant delays in obtaining reimbursement for newly-approved drugs or therapeutic biologics, and coverage may be more limited than the purposes for which the drug or therapeutic biologic is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for reimbursement does not imply that any drug or therapeutic biologic will be reimbursed in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs or therapeutic biologics, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may be based on payments allowed for lower-cost drugs or therapeutic biologics that are already reimbursed, may be incorporated into existing payments for other services and may reflect budgetary constraints or imperfections in Medicare data. Net prices for drugs or therapeutic biologics may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs or therapeutic biologics from countries where they may be sold at lower prices than in the U.S. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement rates. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for new drugs or therapeutic biologics that we develop and for which we obtain regulatory approval could have a material and adverse effect on our operating results, our ability to raise capital needed to commercialize products and our financial condition.

Our ability to obtain services, reimbursement or funding from the federal government may be impacted by possible reductions in federal spending.

U.S. federal government agencies currently face potentially significant spending reductions. Under the Budget Control Act of 2011, the failure of Congress to enact deficit reduction measures of at least $1.2 trillion for the years 2013 through 2021 triggered automatic cuts to most federal programs. These cuts include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which started in April 2013, and, due to subsequent legislative amendments, will stay in effect through 2024 unless additional legislative action is taken. The American Taxpayer Relief Act of 2012, which was enacted on January 1, 2013, also reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The full impact on our business, financial condition, results of operations and prospects of these cuts is uncertain. If federal spending is further reduced, anticipated budgetary shortfalls may also impact the ability of relevant agencies, such as the FDA or the National Institutes of Health to continue to function at current levels. Amounts allocated to federal grants and contracts may be reduced or eliminated. These reductions may also impact the ability of relevant agencies to timely review and approve research and development, manufacturing, and marketing activities, which may delay our ability to develop, market and sell any products we may develop.

If any of our product candidates receives marketing approval and we or others later identify undesirable side effects caused by the product candidate, our ability to market and derive revenue from the product candidates could be compromised.

Undesirable side effects caused by our product candidates could cause regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities. While we have not yet initiated clinical trials for any of our product candidates, it is likely that there may be side effects associated with their use. Results of our trials could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. Such side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects.

Further, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate.

In the event that any of our product candidates receive regulatory approval and we or others identify undesirable side effects caused by one of our products, any of the following adverse events could occur, which could result in the loss of significant revenue to us and materially and adversely affect our results of operations and business:

- regulatory authorities may withdraw their approval of the product or seize the product;
- we may be required to recall the product or change the way the product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

A Breakthrough Therapy Designation by the FDA for our product candidates may not lead to a faster development or regulatory review or approval process, and it does not increase the likelihood that our product candidates will receive marketing approval.

We may seek a Breakthrough Therapy Designation for some of our product candidates. A breakthrough therapy is defined as a product that is intended, alone or in combination with one or more other products, 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, such as substantial treatment effects observed early in clinical development. For products that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Products designated as breakthrough therapies by the FDA can also be eligible for accelerated approval.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for a product candidate may not result in a faster development process, review or approval compared to products considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the products no longer meet the conditions for qualification and rescind the breakthrough designation.

A Fast Track Designation by the FDA may not actually lead to a faster development or regulatory review or approval process.

We may seek Fast Track Designation for some of our product candidates. If a product is intended for the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the product sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program.

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

As part of our business strategy, we may seek Orphan Drug Designation for our product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and therapeutic biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug or therapeutic biologic as an orphan drug if it is a drug or therapeutic biologic intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or therapeutic biologic will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as opportunities for grant funding toward clinical trial costs, tax advantages and user-fee waivers. In addition, if a product that has Orphan Drug Designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full NDA or BLA, to market the same product for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity.

Even if we obtain Orphan Drug Designation for our product candidates in specific indications, we may not be the first to obtain marketing approval of these product candidates for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs or therapeutic biologics with different active moieties can be approved for the same condition. Even after an orphan product is approved, the FDA can subsequently approve the same drug or therapeutic biologic with the same active moiety for the same condition if the FDA concludes that the later drug or therapeutic biologic is safer, more effective or makes a major contribution to patient care. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug or therapeutic biologic nor gives the drug or therapeutic biologic any advantage in the regulatory review or approval process. In addition, while we may seek Orphan Drug Designation for our product candidates, we may never receive such designations.

Risks Related to Our Common Stock and This Offering

Our quarterly operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including:

- variations in the level of expense related to the ongoing development of our Probody platform, our product candidates or future development programs;
- results of clinical trials, or the addition or termination of clinical trials or funding support by us, or existing or future collaborators or licensing partners;
- our execution of any additional collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under existing or future arrangements or the termination or modification of any such existing or future arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- 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;
- if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

Our stock price may be volatile and purchasers of our common stock could incur substantial losses.

Our stock price is likely to be volatile. As a result of this volatility, investors may not be able to sell their common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including the other risks described in this section of the prospectus titled “Risk Factors” and the following:

- results of preclinical and clinical studies of our product candidates, or those of our competitors or our existing or future collaborators;
- regulatory or legal developments in the U.S. and other countries, especially changes in laws or regulations applicable to our products;

- the success of competitive products or technologies;
- introductions and announcements of new products by us, our future commercialization partners, or our competitors, and the timing of these introductions or announcements;
- actions taken by regulatory agencies with respect to our products, clinical studies, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or product candidates;
- developments concerning any future collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters and other calamities; and
- general economic, industry and market conditions.

In addition, the stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that has been often unrelated to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

If you purchase common stock in this offering, assuming a public offering price of $15.00 per share, the midpoint of the range set forth on the cover of this prospectus, you will incur immediate and substantial dilution of $10.68 per share, representing the difference between the assumed initial public offering price of $15.00 per share and our pro forma net tangible book value per share as of June 30, 2015 after giving effect to this offering and the conversion of all outstanding shares of our preferred stock upon the closing of this offering and the net exercise of all of our warrants to purchase shares of our preferred stock into shares of our common stock. Moreover, we issued options in the past to acquire common stock at prices significantly below the assumed initial public offering price. As of June 30, 2015, there were 3,418,010 shares of common stock subject to outstanding options. To the extent that these outstanding options are ultimately exercised, you will incur further dilution.

The future issuance of equity or of debt securities that are convertible into equity will dilute our share capital.

We may choose to raise additional capital in the future, depending on market conditions, strategic considerations and operational requirements. To the extent that additional capital is raised through the issuance of shares or other securities convertible into shares, our stockholders will be diluted. Future issuances of our common stock or other equity securities, or the perception that such sales may occur, could adversely affect the trading price of our common stock and impair our ability to raise capital through future offerings of shares or equity securities. No prediction can be made as to the effect, if any, that future sales of common stock or the availability of common stock for future sales will have on the trading price of our common stock.

The employment agreements with our executive officers may require us to pay severance benefits to officers in connection with termination of employment or upon a change of control of us, which could harm our financial condition.

Sean A. McCarthy, D. Phil. our president and chief executive officer, is entitled to receive a lump sum payment equal to one year of his base salary as well as continued medical and dental coverage for a period of one year following his termination of employment due to good reason or without cause. In the event of a change in control and a termination of employment without cause or due to good reason Dr. McCarthy would similarly receive one year of his base salary as well as continued medical and dental coverage for a period of one year, as well as an additional lump sum payment equal to his target annual bonus for the calendar year in which his employment is terminated and full vesting of his outstanding option awards. The accelerated vesting of options could result in dilution to our existing stockholders and harm the market price of our common stock. Furthermore, the payment of these severance benefits could harm our financial condition. In addition, these potential severance payments may discourage or prevent third parties from seeking a business combination with us.

An active trading market for our common stock may not develop.

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock will be determined through negotiations with the underwriters. Although our common stock will be listed on The NASDAQ Global Market, an active trading market for our shares may never develop or be sustained following this offering. Further, Pfizer, an existing stockholder and collaboration partner that is affiliated with one of our directors, has indicated an interest in purchasing up to $5.0 million in shares of our common stock in this offering. In addition, BMS, another of our collaboration partners, has indicated an interest in purchasing up to $10.0 million in shares of our common stock in this offering. In each case, any shares

of our common stock purchased by Pfizer or BMS would be purchased at the initial public offering price and on the same terms as the other purchasers in this offering and, to the extent Pfizer or BMS purchase shares in this offering, fewer shares may be actively traded in the public market because each of these stockholders will be restricted from selling the shares by restrictions under applicable securities laws and the lock-up agreements described in the "Shares Eligible for Future Sale" and "Underwriting" sections of this prospectus, which would reduce the liquidity of the market for our common stock. If an active market for our common stock does not develop, it may be difficult for you to sell shares you purchase in this offering without depressing the market price for the shares or at all.

Because our management will have flexibility in allocating the net proceeds from this offering, you may not agree with how we use them and the proceeds may not be invested successfully.

We intend to use the net proceeds to us from this offering to discover new product candidates, fund preclinical development and clinical trials of product candidates, continued Probody technology platform development, working capital and general corporate purposes, as well as potential acquisition or in-licensing and collaboration activities, and therefore, our management will have flexibility in allocating the offering proceeds. Accordingly, you will be relying on the judgment of our management with regard to the allocation of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being allocated appropriately. It is possible that the proceeds will be invested in a way that does not yield a favorable, or any, return for our company.

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

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

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

Based on the beneficial ownership of our common stock as of August 31, 2015, after this offering, our executive officers and directors, together with holders of 5% or more of our outstanding common stock before this offering and their respective affiliates, will beneficially own approximately 64.7% of our outstanding common stock (assuming no exercise of the underwriters' option to purchase additional shares of common stock; and assuming the net exercise of warrants into an aggregate of 64,836 shares of common stock immediately prior to this offering). Pfizer, an existing stockholder and collaboration partner that is affiliated with one of our directors, has indicated an interest in purchasing up to $5.0 million in shares of our common stock in this offering. In addition, BMS, another of our collaboration partners, has indicated an interest in purchasing up to $10.0 million in shares of our common stock in this offering. In each case, any shares of our common stock purchased by Pfizer or BMS would be purchased at the initial public offering price and on the same terms as other purchasers in this offering. Additionally, at our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates, friends, family and related persons. Any such purchases, if completed, would be made on the same terms as the shares that are sold to the public generally. If Pfizer and BMS purchase all of the shares they have indicated interest in purchasing, our executive officers, directors, holders of 5% or

more of our capital stock and their respective affiliates will beneficially own approximately 65.6% of our outstanding voting stock upon the closing of this offering (based on the assumed initial public offering price of $15.00 per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options). As a result, these stockholders, if acting together, will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. The interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

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

We are an "emerging growth company" as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act ("Section 404"), (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 nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. 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 following the completion of this offering, although circumstances could cause us to lose that status earlier, including if we are deemed to be a "large accelerated filer," which occurs when the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30, 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, in which case we would no longer 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 this prospectus and our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have 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.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. In addition, these provisions

may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These provisions include:

- a prohibition on actions by our stockholders by written consent;
- a requirement that special meetings of stockholders, which our company is not obligated to call more than once per calendar year, be called only by the chairman of our board of directors, our chief executive officer, our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors, or, subject to certain conditions, by our secretary at the request of the stockholders holding of record, in the aggregate, shares entitled to cast not less than ten percent of the votes at a meeting of the stockholders (assuming all shares entitled to vote at such meeting were present and voted);
- advance notice requirements for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings;
- division of our board of directors into three classes, serving staggered terms of three years each; and
- the authority of the board of directors to issue preferred stock with such terms as the board of directors may determine.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, as amended, which prohibits a person who owns in excess of 15 percent 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 percent of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some stockholders.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, and particularly after we are no longer an emerging growth company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The NASDAQ Global Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors. However, these rules and regulations 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 and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We are not currently required to comply with the SEC's rules that implement Section 404, and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Pursuant to Section 404, we will be required to furnish a report by our management on

our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on The NASDAQ Global Market.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We may incur significant costs from class action litigation due to our expected stock volatility.

Our stock price may fluctuate for many reasons, including as a result of public announcements regarding the progress of our development efforts or the development efforts of future collaborators or competitors, the addition or departure of our key personnel, variations in our quarterly operating results and changes in market valuations of biopharmaceutical and biotechnology companies. This risk is especially relevant to us because biopharmaceutical and biotechnology companies have experienced significant stock price volatility in recent years. When the market price of a stock has been volatile as our stock price may be, holders of that stock have occasionally brought securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit of this type against us, even if the lawsuit is without merit, we could incur substantial costs defending the lawsuit. The lawsuit could also divert the time and attention of our management.

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

Our amended and restated bylaws provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, 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, any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, as amended, our amended and restated certificate of incorporation or our amended and restated bylaws, any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws or 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.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” “annualized” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors identified in “Risk Factors” or “Management’s Discussion and Analysis of Financial Condition and Results of Operations” or the following:

- the initiation, timing, progress and results of our research and development programs, preclinical studies, any clinical trials and IND, Clinical Trial Application, NDA, BLA and other regulatory submissions;
- our receipt and timing of any milestone payments or royalties under any existing or future research collaboration and license agreements or arrangements;
- our expectations regarding the activity of our product candidates once administered in a human subject;
- our expectations and beliefs regarding the evolution of the market for cancer therapies and development of the immuno-oncology industry;
- our ability to identify and develop products for novel cancer targets;
- our dependence on existing and future collaborators for developing, obtaining regulatory approval for and commercializing product candidates in the collaboration;
- our ability to identify and develop product candidates for treatment of additional disease indications;
- our or an existing or future collaborator’s ability to obtain and maintain regulatory approval of any of our product candidates;
- the rate and degree of market acceptance of any approved products candidates;
- the commercialization of any approved product candidates;
- our ability to establish and maintain collaborations and retain commercial rights for our product candidates in the collaborations;
- the implementation of our business model and strategic plans for our business, technologies and product candidates;

- our estimates of our expenses, ongoing losses, future revenue and capital requirements;
- our ability to obtain additional funds for our operations;
- our or any existing or future collaborator's ability to obtain and maintain intellectual property protection for our technologies and product candidates and our ability to operate our business without infringing the intellectual property rights of others;
- our reliance on third parties to conduct our preclinical studies or any future clinical trials;
- our reliance on third-party supply and manufacturing partners to supply the materials and components for, and manufacture, our research and development, preclinical and clinical trial product supplies;
- our ability to attract and retain qualified key management and technical personnel;
- our use of net proceeds to us from this offering;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act;
- our financial performance; and
- developments relating to our competitors or our industry.

The foregoing factors should not be considered exhaustive and should be read together with the other cautionary statements included in this prospectus. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

This prospectus also contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs and therapeutic biologics, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

STATISTICAL DATA AND MARKET INFORMATION

This prospectus contains estimates, projections and other statistical data made by independent parties and by us relating to market size and growth, the incidence of certain medical conditions and other industry data or sector information. These data, to the extent they contain estimates or projections, involve a number of assumptions and limitations, and you are cautioned not to give undue weight to any such estimates or projections. Industry publications and other reports we have obtained from independent parties generally state that the data and other information contained in these publications or other reports have been obtained in good faith or from sources considered to be reliable, but they do not guarantee the accuracy or completeness of such data or information and we have not independently verified them. The industry in which we operate is subject to risks and uncertainties due to a variety of factors, including those described in the “Risk Factors” section of this prospectus. These and other factors could cause results to differ materially from those expressed in these publications and reports.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of the shares of common stock will be approximately $89.8 million, based upon the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares in full, we estimate that we will receive net proceeds from this offering of approximately $103.8 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share would increase (decrease) our net proceeds from this offering by approximately $6.2 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, commissions and estimated offering expenses. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the net proceeds from this offering by approximately $14.0 million, based upon the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This offering is intended to provide funding through first-in-human studies of our two lead programs. In particular, we currently expect to use the net proceeds from this offering as follows:

- approximately $25.0 million to $35.0 million for the development of CX-072, including our planned Phase 1 clinical trials and product candidate manufacturing;
- approximately $15.0 million to $20.0 million for the development of our Probody therapeutic directed against CD-166, including our planned Phase 1 clinical trials and product candidate manufacturing; and
- approximately $25.0 million to $35.0 million for research and development activities, including discovery of additional cancer immunotherapies and first-in-class therapeutics directed against difficult-to-drug targets and continued development of our Probody technology platform.

We expect to use the remainder of the net proceeds from this offering 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.

The expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. We believe the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will be sufficient to fund our operations through at least 2018, including through data read out of our planned Phase 1 clinical trials of CX-072 and our CD-166 Probody therapeutics. However, the amounts and timing of our actual expenditures depend on numerous factors, including the progress of our preclinical development efforts, the results of any clinical trials and other studies, our operating costs and expenditures and other factors described under “Risk Factors” included elsewhere in this prospectus. The costs and timing of developing our CX-072 and CD-166 product candidates are highly uncertain, are subject to substantial risks and may change. As such, we may alter the allocation of the use of the net proceeds of this offering as a result of contingencies such as the failure of one of these product candidates in clinical development, the identification of a more promising product candidate in our research efforts or unexpected operating costs and expenditures. For example, if CX-072 or our Probody therapeutics directed against CD-166 were to fail in preclinical or clinical testing, we would use the net proceeds that were allocated to the failed program(s) to advance one or more of our earlier stage programs through preclinical testing and clinical trials, in particular our T-cell recruiting bispecific antibodies program and/or our PD-1 program, or perform further research and development activities to identify

and develop new therapeutics directed against difficult to drug targets. Further, if in the course of our research and development activities we identify a promising new product candidate, we may choose to reallocate a portion of the net proceeds initially allocated to research and development activities to the development of the new product candidate.

Pending the use of the proceeds from this offering, we intend to invest the net proceeds in short-term, interest-bearing, investment-grade securities, certificates of deposit or government securities.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock and we do not intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to retain future earnings, if any, for use in the operation of our business and to fund future growth. Any future determination related to our dividend policy will be made at the discretion of our board of directors in light of conditions then-existing, including factors such as our results of operations, financial condition and requirements, business conditions and covenants under any applicable contractual arrangements.

CAPITALIZATION

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

- An actual basis;
- A pro forma basis, giving effect to (i) the conversion of all of our outstanding shares of our preferred stock into an aggregate of 27,135,453 shares of our common stock immediately prior to the completion of this offering; (ii) the net exercise of all outstanding warrants to purchase shares of our preferred stock resulting in the issuance of an aggregate of 64,836 shares of our common stock and the related reclassification of our preferred stock warrant liability to additional paid-in capital immediately prior to the completion of this offering; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering; and
- A pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above; and (ii) the sale and issuance of 6,666,667 shares of our common stock by us in this offering, based upon the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

You should read this table together with the section of this prospectus entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes included elsewhere in this prospectus.

	June 30, 2015		
	Actual	Pro Forma	Pro Forma as Adjusted(1)
	(In thousands, except share and per share data)		
Cash, cash equivalents and short-term investments	$125,369	$125,369	$ 215,169
Long-term debt, current and non-current	$ 2,292	2,292	2,292
Convertible preferred stock warrant liability	503	—	—
Redeemable convertible preferred stock, $0.00001 par value—26,972,316 shares authorized; 26,890,671 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	155,647	—	—
Convertible preferred stock, $0.00001 par value—244,782 shares authorized, issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	474	—	—
Stockholders’ (deficit) equity:			
Common stock, $0.00001 par value—36,200,000 shares authorized; 1,004,198 shares issued and outstanding, actual; 75,000,000 shares authorized, 28,204,487 shares issued and outstanding, pro forma; and 34,871,154 shares issued and outstanding, pro forma as adjusted	1	1	1
Preferred stock, $0.00001 par value—no shares authorized, issued or outstanding, actual; 10,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Stockholder notes receivable	(407)	(407)	(407)
Additional paid-in capital	—	156,624	246,424
Accumulated other comprehensive loss	(1)	(1)	(1)
Accumulated deficit	(92,614)	(92,614)	(92,614)
Total stockholders’ (deficit) equity	(93,021)	63,603	153,403
Total capitalization	$ 65,895	$ 65,895	$ 155,695

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our cash and cash equivalents and total stockholders' equity by approximately $6.2 million, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the amount of our cash and cash equivalents and total stockholders' equity by approximately $14.0 million, based upon the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our common stock to be outstanding after the completion of this offering excludes:

- 661,891 shares of common stock issuable upon exercise of stock options outstanding as of June 30, 2015 under our 2010 Stock Incentive Plan (the "2010 Plan");
- 2,756,119 shares of common stock issuable upon exercise of stock options outstanding as of June 30, 2015 under our 2011 Stock Incentive Plan, as amended (the "2011 Plan");
- 2,603,022 shares of common stock reserved for issuance pursuant to future awards under the 2011 Plan as of June 30, 2015;
- 2,444,735 shares of common stock (or approximately 7% of the total number of shares of our common stock outstanding immediately following the consummation of this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock) reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, which will become effective on the day preceding the effectiveness of the registration statement to which this prospectus relates; and
- 354,466 shares of common stock reserved for issuance pursuant to future awards under our 2015 Employee Stock Purchase Plan, which will be effective upon the completion of this offering.

DILUTION

If you invest in our common stock in this offering, 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 immediately after this offering.

As of June 30, 2015, our historical net tangible book value (deficit) was approximately $(95.9) million, or $(95.51) per share of common stock. Historical net tangible book value (deficit) per share represents our total assets less goodwill, intangible assets and deferred offering costs, less total liabilities, less preferred stock, divided by the number of our outstanding shares of common stock.

As of June 30, 2015, our pro forma net tangible book value was approximately $60.7 million, or $2.15 per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of June 30, 2015, assuming the conversion of all outstanding shares of our preferred stock into an aggregate 27,135,453 shares of our common stock, which will occur immediately prior to the completion of this offering, and the net exercise of all outstanding warrants to purchase shares of our preferred stock resulting in the issuance of an aggregate of 64,836 shares of common stock upon the closing of this offering.

After giving further effect to the sale of 6,666,667 shares of our common stock in this offering, at the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2015 would have been approximately $150.7 million, or $4.32 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.17 per share to our existing stockholders and an immediate dilution of $10.68 per share to investors purchasing shares in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per share		$15.00
Historical net tangible book value per share as of June 30, 2015	$(95.51)	
Pro forma increase in net tangible book value per share	97.66	
Pro forma net tangible book value per share as of June 30, 2015	2.15	
Increase in pro forma net tangible book value per share attributable to investors purchasing shares in this offering	2.17	
Pro forma net tangible book value, as adjusted to give effect to this offering		4.32
Dilution in pro forma net tangible book value per share to investors purchasing shares in this offering		$10.68

A $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by approximately $0.18 per share and the dilution per share to new investors in this offering by $0.82 per share, assuming the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a 1,000,000 increase (decrease) in the number of shares of our common stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value by approximately $0.27 ($0.28) per share and decrease (increase) the dilution per share to new investors in this offering by $0.27 ($0.28) per share, assuming the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, the pro forma as adjusted net tangible book value per share of our common stock would be $4.59 per share, and the dilution in pro forma net tangible book value per share to investors purchasing shares in this offering would be $10.41 per share.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2015, the difference between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid, before deducting estimated underwriting discounts and commissions and estimated offering expenses:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders(1)	28,204,487	80.9%	$156,121,000	61.0%	$ 5.54
Investors purchasing shares in this offering(1)	6,666,667	19.1	100,000,005	39.0	15.00
Total	34,871,154	100.0%	$256,121,005	100.0%	

(1) Certain of our existing stockholders, including a stockholder affiliated with one of our directors, have indicated an interest in purchasing an aggregate of up to approximately $5.0 million in shares of our common stock in this offering at the initial public offering price. The presentation in this table regarding ownership by existing stockholders does not give effect to any purchases in this offering by such stockholders. If these existing stockholders are allocated and purchase all of the shares that they have indicated an interest in purchasing, our existing stockholders would hold 81.8% (79.6% if the underwriters exercise in full their option to purchase additional shares of common stock) of the total number of shares of our common stock outstanding after this offering and our new investors would hold 18.2% (20.4% if the underwriters exercise in full their option to purchase additional shares of common stock) of the total number of shares of our common stock outstanding after this offering. See the footnotes to the beneficial ownership table in “Principal Stockholders” for more details.

A $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately $6.2 million, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a 1,000,000 increase (decrease) in the number of shares of our common stock offered by us would increase (decrease) the shares purchased by new investors and total shares purchased by all stockholders by 1,000,000, would increase (decrease) the percentage of shares purchased by new investors by 2.3% (2.4%), and would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by approximately $14.0 million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters’ option to purchase additional shares. If the underwriters exercise their option to purchase additional shares in full, our existing stockholders would own 78.6% and our new investors would own 21.4% of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock reflected in the discussion and tables above excludes the following:

- 661,891 shares of common stock issuable upon exercise of stock options outstanding as of June 30, 2015 under our 2010 Stock Incentive Plan (the “2010 Plan”);
- 2,756,119 shares of common stock issuable upon exercise of stock options outstanding as of June 30, 2015 under our 2011 Stock Incentive Plan, as amended (the “2011 Plan”);

- 2,603,022 shares of common stock reserved for issuance pursuant to future awards under the 2011 Plan as of June 30, 2015;

- 2,444,735 shares of common stock (or approximately 7% of the total number of shares of our common stock outstanding immediately following the consummation of this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock) reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, which will become effective on the day preceding the effectiveness of the registration statement to which this prospectus relates; and

- 354,466 shares of common stock reserved for issuance pursuant to future awards under our 2015 Employee Stock Purchase Plan, which will be effective upon the completion of this offering.

To the extent that any outstanding options to purchase shares of our common stock or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering.

SELECTED HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The following selected statement of operations data for the years ended December 31, 2013 and 2014 and the balance sheet data as of December 31, 2013 and 2014 have been derived from our audited financial statements included elsewhere in this prospectus. The statements of operations data for the six months ended June 30, 2014 and 2015, and the balance sheet data as of June 30, 2015, are derived from our unaudited interim financial statements included elsewhere in this prospectus. We have prepared the unaudited interim financial statements on the same basis as the audited financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair statement of the financial information set forth in those statements. Our historical results are not necessarily indicative of our future results and our interim results are not necessarily indicative of results to be expected for the full year ending December 31, 2015, or any other period. You should read the following selected financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
	(In thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 888	$ 5,077	$ 1,301	$ 3,785
Operating expenses:				
Research and development	10,890	28,302	20,047	9,697
General and administrative	4,954	6,540	2,896	4,498
Total operating expenses	15,844	34,842	22,943	14,195
Loss from operations	(14,956)	(29,765)	(21,642)	(10,410)
Interest income	6	7	3	467
Interest expense	(254)	(487)	(261)	(638)
Other income (expense), net	71	(55)	(34)	(1,431)
Net loss before provision for income taxes	(15,133)	(30,300)	(21,934)	(12,012)
Provision for income taxes	10	10	—	5
Net loss and comprehensive loss	(15,143)	(30,310)	(21,934)	(12,017)
Accretion of redemption value and cumulative dividends on preferred stock	(3,751)	(4,566)	(2,201)	(3,189)
Net loss attributable to common stockholders	$ (18,894)	$ (34,876)	$ (24,135)	$ (15,206)
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (24.46)	$ (35.25)	$ (25.32)	$ (15.22)
Shares used to compute net loss per share attributable to common stockholders, basic and diluted(1)	772,320	989,453	953,029	998,793
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$ (1.85)		$ (0.51)
Shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		16,323,315		20,889,395

(1) See Notes 3 and 19 to our financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders, pro forma net loss per share attributable to common stockholders, and the weighted-average number of shares used in the computation of the per share amounts.

	As of December 31, 2013	As of December 31, 2014	As of June 30, 2015
Balance Sheet Data:			
Cash and cash equivalents	$ 8,703	$ 64,396	$ 45,842
Short-term investments	—	—	79,527
Working capital	5,094	55,690	116,320
Total assets	14,183	73,062	134,089
Total long-term debt, current and non-current	4,203	2,987	2,292
Redeemable convertible preferred stock	44,244	76,236	155,647
Convertible preferred stock	474	474	474
Accumulated deficit	(43,881)	(78,138)	(92,614)
Total stockholders' deficit	(44,279)	(78,541)	(93,021)

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 "Selected Historical Financial Information and Other Data" and the financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in "Risk Factors" and in other parts of this prospectus.

Overview

We are an oncology-focused biopharmaceutical company pioneering a novel class of antibody therapeutics based on our Probody technology platform. We are using our platform to create proprietary cancer immunotherapies against clinically-validated targets as well as to develop first-in-class cancer therapeutics against novel targets. We believe that our Probody platform will allow us to improve the combined efficacy and safety profile, or therapeutic window, of monoclonal antibody modalities including cancer immunotherapies, antibody drug conjugates ("ADCs") and T-cell-recruiting bispecific antibodies. Our Probody therapeutics are designed to take advantage of unique conditions in the tumor microenvironment to enhance the tumor-targeting features of an antibody and reduce drug activity in healthy tissues. We are currently developing Probody therapeutics that address clinically-validated cancer targets in immuno-oncology, such as PD-L1, as well as novel targets, such as CD-166, that are difficult to drug and lead to concerns about damage to healthy tissues, or toxicities. In addition to our proprietary programs, we are collaborating with strategic partners including Bristol-Myers Squibb Company ("BMS"), Pfizer Inc. ("Pfizer") and ImmunoGen, Inc. ("ImmunoGen") to develop selected Probody therapeutics. Our broad technology platform and lead product candidates are supported by a decade of thorough scientific research and strong intellectual property, and we are advancing these candidates toward clinical trials. Our vision is to transform lives with safer, more effective therapies. To realize this vision we are executing on our mission of changing the treatment of cancer by urgently advancing our Probody pipeline.

We do not currently have any product candidates in clinical trials or approved for sale, and we continue to incur significant research and development and general administrative expenses related to our operations. We are not profitable and have incurred losses in each year since our founding in 2008. Our net loss for the years ended December 31, 2013 and 2014 was $15.1 million and $30.3 million, respectively. Our net loss for the six months ended June 30, 2015 was $12.0 million. As of June 30, 2015, we had an accumulated deficit of $92.6 million. We expect to continue to incur significant losses for the foreseeable future.

We have three pipeline strategies that we are pursuing with our Probody platform: (i) developing a novel class of immuno-oncology therapies directed against clinically-validated targets, (ii) developing first-in-class therapeutics directed against difficult-to-drug targets and (iii) collaborating with leading pharmaceutical companies to discover and develop Probody therapeutics against selected targets.

Regulatory agencies, including the FDA, regulate many aspects of a product candidate's life cycle, including research and development and preclinical and clinical testing. We have product candidates that are still in research and preclinical development, which means that they have not yet been tested on humans. We will need to commit significant time and resources to develop these and additional product candidates. Many product candidates in human clinical trials fail to demonstrate the desired safety and efficacy characteristics. We are unable to provide the nature, timing, and estimated costs of the efforts necessary to complete the development of our product candidates because, among other reasons, we cannot predict with any certainty the pace of enrollment of our clinical trials, which is a function of many factors, including the availability and proximity of patients with the relevant condition.

We currently have no manufacturing capabilities and do not intend to establish any such capabilities. We have no commercial manufacturing facility for our product candidates. As such, we are dependent on third parties to supply our product candidates according to our specifications, in sufficient quantities, on time, in compliance with appropriate regulatory standards and at competitive prices.

Components of Results of Operations

Revenue

Our revenue to date has been primarily derived from non-refundable license payments and reimbursements for research and development expenses under our research, collaboration, and license agreements. We recognize revenue from upfront payments ratably over the term of our estimated period of performance under the agreement. In addition to receiving upfront payments, we may also be entitled to milestone and other contingent payments upon achieving predefined objectives. Revenue from milestones, if they are nonrefundable and deemed substantive, is recognized upon successful accomplishment of the milestones. To the extent that non-substantive milestones are achieved and we have remaining performance obligations, milestones are deferred and recognized as revenue over the estimated remaining period of performance. Reimbursements from Pfizer and BMS for research and development costs incurred under our research, collaboration and license agreements with them are classified as revenue.

For the foreseeable future, we do not expect to generate any revenue from the sale of products unless and until such time as our product candidates have advanced through clinical development and regulatory approval. We expect that any revenue we do generate in the foreseeable future will fluctuate from year to year as a result of the timing and amount of milestones and other payments from our collaborations with BMS, Pfizer and ImmunoGen, and any future collaboration partners, and as a result of the fluctuations in the research and development expenses we incur in the performance of assigned activities under these agreements.

Research and Development Expenses

Our research and development expenses consist primarily of costs incurred to conduct research, such as the discovery and development of our product candidates as well as the development of product candidates pursuant to our research, collaboration and license agreements. Research and development expenses include personnel costs, including stock-based compensation expense, contractor services, laboratory materials and supplies, depreciation and maintenance of research equipment, and an allocation of related facilities costs. We expense research and development costs as they are incurred.

We expect our research and development expenses to increase substantially in absolute dollars in the future as we advance our product candidates into and through clinical trials and pursue regulatory approval of our product candidates. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our product candidates may be affected by a variety of factors including: the safety and efficacy of our product candidates, early clinical data, investment in our clinical program, the ability of collaborators to successfully develop our licensed product candidates, competition, manufacturing capability and commercial viability. We may never succeed in achieving regulatory approval for any of our product candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of our product candidates.

General and Administrative Expenses

General and administrative expenses include personnel costs, expenses for outside professional services and other allocated expenses. Personnel costs consist of salaries, bonuses, benefits and stock-based compensation. Outside professional services consist of legal, accounting and audit services and other consulting

fees. Allocated expenses consist of rent expense related to our office and research and development facility. We expect to incur additional expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the Securities and Exchange Commission, and those of any national securities exchange on which our securities are traded, additional insurance expenses, investor relations activities and other administrative and professional services. We also expect to increase our administrative headcount significantly to operate as public company and as we advance our product candidates through clinical development, which will also increase our general and administrative expenses.

Interest Income

Interest income primarily consists of interest income from our cash equivalents and short-term investments.

Interest Expense

Interest expense primarily consists of interest costs related to our outstanding borrowings under our loan agreements and amortization of premiums on our short-term investments.

Other Income (Expense), Net

Other income (expense), net consists primarily of changes to the estimated fair value of the convertible preferred stock warrant liability and the convertible preferred stock liability. We will continue to record adjustments to the estimated fair value of the convertible preferred stock warrants until such time as these instruments are exercised, expire or convert into warrants to purchase shares of our common stock. We will continue to record adjustments to the estimated fair value of the convertible preferred stock liability until the option to purchase the shares is exercised or expires.

Results of Operations

Comparison of the Six Months Ended June 30, 2014 and 2015

	Six Months Ended June 30,		$	%
	2014	2015	Change	Change
	(In thousands)			
Revenue	$ 1,301	$ 3,785	$ 2,484	191
Operating expenses:				
Research and development	20,047	9,697	(10,350)	(52)
General and administrative	2,896	4,498	1,602	55
Total operating expenses	22,943	14,195	(8,748)	(38)
Loss from operations	(21,642)	(10,410)	11,232	(52)
Interest income	3	467	464	*
Interest expense	(261)	(638)	(377)	144
Other income (expense), net	(34)	(1,431)	(1,397)	*
Loss before provision for income taxes	(21,934)	(12,012)	9,922	(45)
Provision for income taxes	—	5	5	*
Net loss	(21,934)	(12,017)	9,917	(45)
Accretion of redemption value and cumulative dividends on preferred stock	(2,201)	(3,189)	(988)	45
Net loss attributable to common stockholders	$(24,135)	$(15,206)	$ 8,929	(37)

* Not meaningful

Revenue

Revenue increased $2.5 million, or 191%, during the six months ended June 30, 2015 compared to the corresponding period in 2014. The increase in revenue was primarily due to revenue recognized in the first six months of 2015 related to the BMS agreement entered into in July 2014.

Research and Development Expense

Research and development expense decreased $10.4 million, or 52%, during the six months ended June 30, 2015 compared to the corresponding period in 2014. The decrease was primarily attributable to $12.8 million expensed in the first quarter of 2014 related to the ImmunoGen collaboration agreement, partially offset by an increase of $0.7 million in personnel-related expenses due to an increase in headcount, an increase of $1.5 million in lab services and supplies primarily due to costs related to advancement of our product pipeline, an increase of $0.2 million in allocated facility costs partly due to a new lease we entered into in September 2014, and an increase of $0.2 million of depreciation due to additional purchases of lab equipment.

General and Administrative Expense

General and administrative expense increased $1.6 million, or 55%, during the six months ended June 30, 2015 compared to the corresponding period in 2014. The increase was attributable to an increase of $0.7 million in personnel-related expenses due to an increase in headcount and an increase of $0.8 million in consulting and professional services expenses.

Interest Income

Interest income increased $0.5 million during the six months ended June 30, 2015 compared to the corresponding period in 2014. The increase was attributable to interest income earned on cash equivalents and short-term investments due to the proceeds received from our preferred stock financings in December 2014, May 2015 and June 2015.

Interest Expense

Interest expense increased $0.4 million during the six months ended June 30, 2015, compared to the corresponding period in 2014. The increase was primarily attributable to amortization of premiums on our short-term investments.

Other Income (Expense), Net

Other income (expense), net increased $1.4 million during the six months ended June 30, 2015, compared to the corresponding period in 2014. The increase was primarily attributable to a loss of $1.1 million related to the remeasurement of the convertible preferred stock liability and an increase in the fair value of the convertible preferred stock warrant liability of $0.3 million.

Comparison of the Years Ended December 31, 2013 and 2014

	Years Ended December 31, 2013	2014	$ Change	% Change
		(In thousands)		
Revenue	$ 888	$ 5,077	$ 4,189	*
Operating expenses:				
Research and development	10,890	28,302	17,412	160
General and administrative	4,954	6,540	1,586	32
Total operating expenses	15,844	34,842	18,998	120
Loss from operations	(14,956)	(29,765)	(14,809)	99
Interest income	6	7	1	17
Interest expense	(254)	(487)	(233)	92
Other income (expense), net	71	(55)	(126)	*
Loss before provision for income taxes	(15,133)	(30,300)	(15,167)	101
Provision for income taxes	10	10	—	*
Net loss	$(15,143)	$(30,310)	$(15,167)	101
Accretion of redemption value and cumulative dividends on preferred stock	(3,751)	(4,566)	(815)	22
Net loss attributable to common stockholders	$(18,894)	$(34,876)	$(15,982)	85

* Not meaningful

Revenue

Revenue increased $4.2 million during the year ended December 31, 2014 compared the corresponding period in 2013. The increase in revenue is primarily attributable to an increase of $1.4 million of revenue recognized related to the Pfizer agreement entered into in May 2013 and $2.8 million of revenue recognized in 2014 related to the BMS agreement entered into in July 2014.

Research and Development Expenses

Research and development expenses increased $17.4 million, or 160%, during the year ended December 31, 2014 compared to the corresponding period in 2013. The increase was primarily attributable to $12.8 million expensed in 2014 related to the ImmunoGen collaboration agreement, a $1.7 million increase in personnel-related expenses due to headcount, increased consulting costs, and increased recruiting expenses primarily related to recruiting key personnel, an increase of $2.7 million in lab services and supplies arising from the research and collaboration agreements entered into in 2014 with BMS, and an increase of $0.4 million in rent and occupancy costs due to new leases entered into in August 2013 and September 2014.

General and Administrative Expenses

General and administrative expenses increased $1.6 million, or 32%, during the year ended December 31, 2014 compared to the corresponding period in 2013. The increase was attributable to a $0.8 million increase in personnel-related expenses as a result of increased headcount and an increase in recruiting costs primarily related to the recruiting of key personnel, a $0.6 million increase in legal costs due to the new research and collaboration agreements entered into, and a $0.4 million increase in consulting costs. The increase was partially offset by a decrease of $0.2 million in allocated facility costs.

Interest Expense

Interest expense increased $0.2 million during the year ended December 31, 2014 compared to the corresponding period in 2013. The increase was due to the drawdown of an additional $3.0 million from our debt facility in December 2013.

Other Income (Expense), Net

Other income (expense), net changed by ($0.1) million to an expense of $55,000 during the year ended December 31, 2014 compared to the corresponding period in 2013. The change was primarily due to the fair value remeasurement of the convertible preferred stock warrant liability.

Liquidity and Capital Expenditures

Sources of Liquidity

As of June 30, 2015, we had cash, cash equivalents and short-term investments of $125.4 million and an accumulated deficit of $92.6 million, compared to cash and cash equivalents of $64.4 million and an accumulated deficit of $78.1 million as of December 31, 2014. We have financed our operations primarily through sales of our convertible preferred securities and payments received under our collaboration agreements. In May and June 2015, respectively, an investor exercised its option to purchase 659,209 shares of Series C redeemable convertible preferred stock for net proceeds of $3.5 million and we issued 7,490,540 shares of Series D redeemable convertible preferred stock for net proceeds of $69.7 million.

Plan of Operation and Future Funding Requirements

We use our cash primarily to fund operating expenses, primarily research and development expenditures. We plan to increase our research and development expenses for the foreseeable future as we continue the preclinical and move into clinical development of our product candidates. At this time, due to the inherently unpredictable nature of preclinical and clinical development and given the early stage of our product candidates, we cannot reasonably estimate the costs we will incur and the timelines that will be required to complete development, obtain marketing approval, and commercialize our current product candidates or any future product candidates. For the same reasons, we are also unable to predict when, if ever, we will generate revenue from product sales or whether, or when, if ever, we may achieve profitability. Clinical and preclinical development timelines, the probability of success, and development costs can differ materially from expectations. In addition, we cannot forecast which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Due to our significant research and development expenditures, we have generated substantial operating losses in each period since inception. We have incurred an accumulated deficit of $92.6 million through June 30, 2015. We expect to incur substantial additional losses in the future as we expand our research and development activities. Based on our research and development plans, we expect that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will be sufficient to fund our operations through at least 2018, during which we expect to generate data from first-in-human clinical trials for our two lead product candidates. We have based this estimate on assumptions that may prove to be wrong, however, and we could use our capital resources sooner than we expect.

The timing and amount of our operating expenditures will depend largely on:

- the timing and progress of preclinical and clinical development activities;
- the number and scope of preclinical and clinical programs we decide to pursue;

- the progress of the development efforts of parties with whom we have entered or may in the future enter into collaborations and research and development agreements;
- the timing and amount of milestone payments we may receive under our collaboration agreements;
- our ability to maintain our current licenses and research and development programs and to establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and hire additional personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

Until such time, if ever, as we can generate substantial revenue from product sales, we expect to fund our operations and capital funding needs through equity and/or debt financing. We may also consider entering into additional collaboration arrangements or selectively partnering for clinical development and commercialization. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. If we are not able to secure adequate additional funding, we may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible and/or suspend or curtail planned programs. Any of these actions could materially and adversely affect our business, financial condition, results of operations and prospects.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Year Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
Net cash provided by (used in):				
Operating activities	$(8,008)	$31,802	$(9,622)	$(11,480)
Investing activities	(732)	(1,663)	(511)	(81,012)
Financing activities	2,697	25,554	9,736	73,938
Net (decrease) increase in cash and cash equivalents	$(6,043)	$55,693	$ (397)	$(18,554)

Cash Flows from Operating Activities

During the six months ended June 30, 2015, cash used in operating activities was $11.5 million, which consisted of a net loss of $12.0 million, adjusted by non-cash charges of $3.2 million and a net decrease of $2.7 million in our net operating assets. The non-cash charges primarily consist of depreciation and amortization of $0.6 million, stock-based compensation of $0.7 million, amortization of premiums on our short-term investments of $0.4 million, a loss on remeasurement of our convertible preferred stock warrant liability of $0.3 million and a $1.1 million loss from the revaluation of the convertible preferred stock liability. The change in our net operating assets and liabilities was primarily due to a decrease of $3.1 million in deferred revenue due to the recognition of upfront fees received, a decrease of $0.2 million in accounts payable and accrued liabilities due to the payment of issuance costs, and an increase of $0.6 million in prepaid expenses and other assets mainly due to accrued interest receivable from our short-term investments and prepayment of rent for our facility, partially offset by an decrease of $1.2 million in accounts receivable primarily due to the receipt of the $1.5 million upfront payment from the Pfizer agreement in the first six months of 2015.

During the six months ended June 30, 2014, cash used in operating activities was $9.6 million, which consisted of a net loss of $21.9 million, adjusted by non-cash charges of $0.7 million and a net change of $11.6 million in our net operating assets. The non-cash charges primarily consist of depreciation and amortization of $0.4 million and stock-based compensation of $0.2 million. The change in our net operating assets and liabilities was primarily due to an increase of $12.8 million in deferred revenue resulting from $13.2 million related to the ImmunoGen collaboration agreement partially offset by $0.4 million of amortization of upfront payments, a $0.2 million decrease in accounts payable and accrued liabilities mainly due to the payment of the 2013 annual bonus in the first quarter of 2014, an increase of $0.6 million in accounts receivable from a higher level of research activity related to the Pfizer agreement, an increase in prepaid expenses and other assets of $0.7 million mainly due to deferred costs related to the ImmunoGen collaboration agreement.

In 2014, cash provided by operating activities was $31.8 million, which consisted of a net loss of $30.3 million adjusted by non-cash charges of $1.4 million, adjusted by a net change of $60.8 million in our net operating assets. The non-cash charges primarily consist of $0.8 million from depreciation and amortization and $0.6 million from stock-based compensation. The change in our net operating assets and liabilities was primarily due to an increase of $61.5 million in deferred revenue resulting from the upfront payments of $50.0 million received from BMS and of $1.5 million received from Pfizer and $13.3 million related to the ImmunoGen collaboration agreement, partially offset by recognition of upfront fees of $3.3 million, and a $1.5 million increase in accounts payable and accrued liabilities due to our increased research and development activities as a result of our agreements with BMS and ImmunoGen. The increase is partially offset by an increase of $1.6 million in accounts receivable primarily due to the $1.5 million upfront payment due from Pfizer and a $0.6 million increase in prepaid expenses and other assets due to deferred costs related to the ImmunoGen collaboration agreement.

In 2013, cash used in operating activities was $8.0 million, which consisted of a net loss of $15.1 million, adjusted by non-cash charges of $1.2 million and a net decrease of $6.0 million in our net operating assets. The non-cash charges primarily consist of depreciation and amortization of $0.7 million, stock-based compensation of $0.3 million, a charge of $0.2 million related to common stock issued in connection with a license agreement partially offset by a $0.1 million gain from the revaluation of the convertible preferred stock liability. The change in our net operating assets and liabilities was primarily due to an increase of $5.5 million in deferred revenue due to the receipt of an upfront fee from Pfizer and a $0.9 million increase in accounts payable and accrued liabilities due to an increase in our research and development activities as a result of our agreement with Pfizer, primarily offset by an increase of $0.3 million in accounts receivable and prepaid expenses and other current assets resulted from our increased business activities.

Cash Flows from Investing Activities

Cash used in investing activities during the six months ended June 30, 2015 was $81.0 million, which consisted of $1.0 million of capital expenditures to purchase property and equipment and $90.0 million of purchases of short-term investments, offset by $10.0 million in proceeds from the maturity of marketable securities.

Cash used in investing activities during the six months ended June 30, 2014 was $0.5 million, which consisted of capital expenditures to purchase property and equipment.

Cash used in investing activities during the year ended December 31, 2014 was $1.7 million, which consisted of capital expenditures to purchase of property and equipment.

Cash used in investing activities during the year ended December 31, 2013 was $0.7 million, which consisted of capital expenditures to purchase of property and equipment.

Cash Flows from Financing Activities

During the six months ended June 30, 2015, cash provided by financing activities was $73.9 million consisting primarily of $74.7 million in net proceeds from the issuance of preferred stock, partially offset by repayments on our borrowings of $0.7 million.

During the six months ended June 30, 2014, cash provided by financing activities was $9.7 million consisting of $10.3 million in net proceeds from the issuance of preferred stock, partially offset by repayments on our borrowings of $0.6 million.

In 2014, cash provided by financing activities was $25.6 million primarily consisting of net proceeds of $26.8 million from the issuance of preferred stock, offset by $1.3 million in payments on our borrowings.

In 2013, cash provided by financing activities was $2.7 million consisting of proceeds of $3.4 million from the issuance of long-term debt and proceeds of $0.1 million from the exercise of stock options, offset by $0.7 million in payments on our borrowings.

Indebtedness

In May 2012, we entered into a Master Loan and Security Agreement (the "Debt Facility") with ATEL Ventures, Inc. We repaid and terminated the Debt Facility in September 2015.

In connection with the execution and the amendment of the Debt Facility, we issued warrants to the lender to purchase an aggregate of 81,620 shares of our Series B-1 redeemable convertible preferred stock. The warrants expire at the earlier of (i) the tenth anniversary of issuance, (ii) the closing of certain change of control events, or (iii) upon the closing of an initial public offering. The warrants are exercisable in cash at an exercise price of $3.084396 per share or through a cashless exercise provision.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements and do not have any holdings in variable interest entities.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2014 (in thousands):

	Payments Due by Period(3)				
	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
Debt principal and interest	$ 1,662	$1,742	$ 15	$ —	$3,419
Royalty obligations(1)	125	300	—	—	425
Operating leases(2)	941	1,790	970	—	3,701
Total contractual obligations	$ 2,728	$3,832	$985	$ —	$7,545

(1) We have royalty obligations under the terms of certain exclusive licensed patent rights. See Note 9 of our financial statements included elsewhere in this prospectus.

(2) We lease our facility under a long-term operating lease, which expires in 2019.

(3) This table does not include any milestone payments or royalty payments to third parties as the amounts, timing and likelihood of such payments are not known.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). The preparation of these financial statements requires our management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue Recognition

We recognize revenue when all of the following criteria are met: persuasive evidence of an arrangement exists; transfer of technology has been completed or services have been rendered; the price to the customer is fixed or determinable and collectability is reasonably assured.

Our revenues are primarily derived through its license, research, development and commercialization agreements. The terms of these types of agreements may include (i) licenses to our technology, (ii) research and development services, and (ii) services or obligations in connection with participation in research or steering committees. Payments to us under these arrangements typically include one or more of the following: nonrefundable upfront and license fees, research funding, milestone and other contingent payments for the achievement of defined collaboration objectives and certain preclinical, clinical, regulatory and sales-based events, as well as royalties on sales of any commercialized products.

In arrangements involving the delivery of more than one element, each required deliverable is evaluated to determine whether it qualifies as a separate unit of accounting. The determination is based on whether the deliverable has "standalone value" to the customer. If a deliverable does not qualify as a separate unit of accounting, it is combined with the other applicable undelivered item(s) within the arrangement and these combined deliverables are treated as a single unit of accounting.

The arrangement's consideration that is fixed or determinable is allocated to each separate unit of accounting based on the relative selling price methodology in accordance with the selling price hierarchy, which includes vendor-specific objective evidence ("VSOE") of selling price, if available, or third-party evidence of selling price if VSOE is not available, or the best estimate of selling price, if neither VSOE nor third-party evidence is available.

Payments or reimbursements for our research and development efforts for the arrangements where such efforts are considered as deliverables are recognized as the services are performed and are presented on a gross basis. When upfront payments are received and if there is no discernible pattern of performance and/or objectively measurable performance measures do not exist, we recognize revenue ratably over the associated period of performance.

Our collaboration and license agreements may include contingent payments related to specified research, development and regulatory milestones and sales-based milestones. Such payments are typically payable under the collaborations when the collaboration partner claims or selects a target, or initiates or advances a covered product candidate in preclinical or clinical development, upon submission for marketing approval of a covered product with regulatory authorities, upon receipt of actual marketing approvals of a covered product or

for additional indications, or upon the first commercial sale of a covered product. Sales-based milestones are typically payable when annual sales of a covered product reach specified levels. Each contingent and milestone payment is evaluated to determine whether it is substantive and at risk to both parties. We recognize any payment that is contingent upon the achievement of a substantive milestone entirely in the period in which the milestone is achieved. Any payments that are contingent upon achievement of a non-substantive milestone are recognized as revenue prospectively, when such payments become due and collectible, over the remaining expected performance period under the arrangement, which is generally the remaining period over which the research and development services are expected to be provided.

Stock-based Compensation

We recognize compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The grant date fair value of stock-based awards is expensed on a straight-line basis over the period during which the employee is required to provide service in exchange for the award (generally the vesting period).

We estimate the fair value of our stock-based awards using the Black-Scholes option-pricing model, which requires the input of highly subjective assumptions. Our assumptions are as follows:

- *Expected term.* The expected term represents the period that the stock-based awards are expected to be outstanding. We use the simplified method to determine the expected term, which is calculated as the average of the time to vesting and the contractual life of the options.

- *Expected volatility.* As our common stock has never been publicly traded, the expected volatility is derived from the average historical volatilities of publicly traded companies within our industry that we consider to be comparable to our business over a period approximately equal to the expected term for employees' options and the remaining contractual life for nonemployees' options.

- *Risk-free interest rate.* The risk-free interest rate is based on the U.S. Treasury yield with a maturity equal to the expected term of the option in effect at the time of grant.

- *Dividend yield.* The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.

In addition to the assumptions used in the Black-Scholes option-pricing model, we also estimate a forfeiture rate to calculate the stock-based compensation for our equity awards. We will continue to use judgment in evaluating the expected volatility, expected terms and forfeiture rates utilized for our stock-based compensation calculations on a prospective basis.

Stock-based compensation expense for options granted to non-employees as consideration for services received is measured on the date of performance at the fair value of the consideration received or the fair value of the equity instruments issued, using the Black-Scholes option-pricing model, whichever can be more reliably measured. Stock-based compensation expense for options granted to non-employees is periodically remeasured as the underlying options vest.

We recorded stock-based compensation expense of $0.3 million and $0.6 million for the years ended December 31, 2013 and 2014, respectively, and $0.2 million and $0.7 million in the six months ended June 30, 2014 and 2015, respectively. We expect to continue to grant stock options and other equity-based awards in the future, and to the extent that we do, our stock-based compensation expense recognized in future periods will likely increase.

Historically, for all periods prior to this offering, the fair values of the shares of common stock underlying our share-based awards were estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, contemporaneous valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

The Practice Guide identifies various available methods for allocating enterprise value across classes and series of capital stock to determine the estimated fair value of common stock at each valuation date. In determining a fair value for our common stock, we used the following methods:

- Probability-Weighted Expected Return Method. The probability-weighted expected return method ("PWERM") is a scenario-based analysis that estimates value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class.

- Option Pricing Method. Under the option pricing method ("OPM") shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The estimated fair values of the preferred stock and common stock are inferred by analyzing these options.

Given the absence of a public trading market for our common stock, our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including:

- our stage of development;

- the status of research and development efforts;

- the status of our strategic and collaboration transactions;

- the rights, preferences and privileges of our preferred stock relative to those of our common stock;

- our operating results and financial condition, including our levels of available capital resources;

- equity market conditions affecting comparable public companies;

- general U.S. market conditions; and

- the lack of marketability of our common stock.

For valuations after the completion of this offering, the fair value of each share of underlying common stock will be based on the closing price of our common stock as reported on the date of grant.

The intrinsic value of all outstanding options as of June 30, 2015 was $45.3 million based on an assumed initial public offering price of $15.00 per share, the midpoint of the price range set forth on the cover of this prospectus.

Convertible Preferred Stock Warrant Liability

Freestanding warrants for shares that are either puttable or redeemable are classified as liabilities on the balance sheet at their estimated fair value. At the end of each reporting period, changes in estimated fair value

during the period are recorded in other income (expense), net. We will continue to adjust the carrying value of the warrants until such time as these instruments are exercised, expire or convert into warrants to purchase shares of our common stock. At that time, the liabilities will be reclassified to additional paid-in capital, a component of stockholders' equity (deficit). The consummation of this initial public offering will result in this reclassification as the warrants will automatically net exercise into shares of our common stock.

Convertible Preferred Stock Liability

We have determined that our obligation to issue additional shares of Series B-1 and Series C redeemable convertible preferred stock represents a freestanding financial instrument, which we accounted for as a liability. The freestanding convertible preferred stock liability was initially recorded at fair value, with changes in fair value recognized in other income (expense), net. We estimate the fair value of this liability using option-pricing models that include assumptions for future financings, expected volatility, expected life, yield and risk-free interest rate.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of tangible and identifiable intangible net assets acquired in business combinations. Goodwill and other intangible assets with indefinite lives are not amortized, but are assigned to reporting units and tested for impairment annually, or whenever there is an impairment indicator. We assess goodwill impairment indicators annually or more frequently, if a change in circumstances or the occurrence of events suggests the remaining value may not be recoverable. Intangible assets that are not deemed to have an indefinite life are amortized over their estimated useful lives.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act 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 also intend to rely on other exemptions provided by the JOBS Act, including without limitation, 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. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rate risks. We had cash and cash equivalents of $64.4 million as of December 31, 2014 and cash, cash equivalents and short-term investments of $125.4 million as of June 30, 2015, which consist of bank deposits, money market funds and U.S. government securities. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations of interest income have not been significant.

As of June 30, 2015, we had total outstanding long-term debt of $2.3 million. The long-term debt carries a fixed interest rate equal to 11.7%. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard will be effective for the Company on January 1, 2018, which is the effective date for public companies. Early application is permitted as of January 1, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). ASU 2014-15 requires management to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. In doing so, companies will have reduced diversity in the timing and content of footnote disclosures than under today's guidance. ASU 2014-15 is effective in the first quarter of 2016 with early adoption permitted. We do not believe the impact of adopting ASU 2014-15 on our financial statements will be material.

BUSINESS

Overview

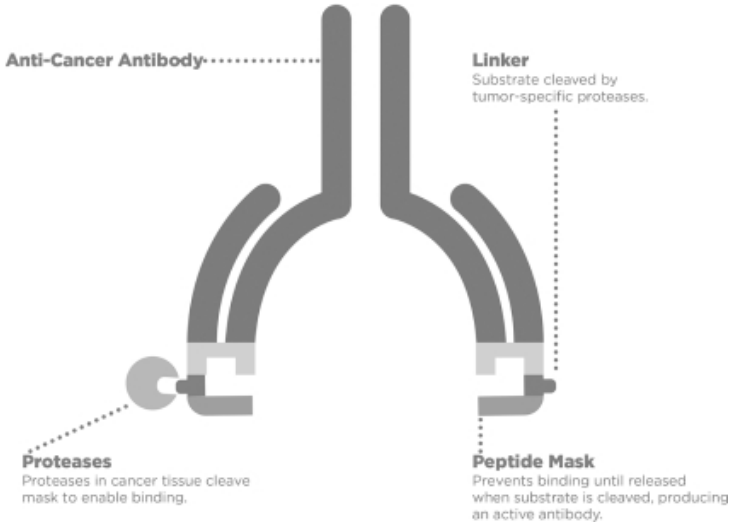
We are an oncology-focused biopharmaceutical company pioneering a novel class of antibody therapeutics based on our Probody technology platform. We are using our platform to create proprietary cancer immunotherapies against clinically-validated targets as well as to develop first-in-class cancer therapeutics against novel targets. We believe that our Probody platform will allow us to improve the combined efficacy and safety profile, or therapeutic window, of monoclonal antibody modalities including cancer immunotherapies, antibody drug conjugates ("ADCs") and T-cell-recruiting bispecific antibodies. Our Probody therapeutics are designed to take advantage of unique conditions in the tumor microenvironment to enhance the tumor-targeting features of an antibody and reduce drug activity in healthy tissues. We are currently developing Probody therapeutics that address clinically-validated cancer targets in immuno-oncology, such as PD-L1, as well as novel targets, such as CD-166, that are difficult to drug and lead to concerns about damage to healthy tissues, or toxicities. In addition to our proprietary programs, we are collaborating with strategic partners including Bristol-Myers Squibb Company ("BMS"), Pfizer Inc. ("Pfizer") and ImmunoGen, Inc. ("ImmunoGen") to develop selected Probody therapeutics. Our broad technology platform and lead product candidates are supported by a decade of thorough scientific research and strong intellectual property, and we are advancing these candidates toward clinical trials. Our vision is to transform lives with safer, more effective therapies. To realize this vision we are executing on our mission of changing the treatment of cancer by urgently advancing our Probody pipeline.

The premise of our Probody platform is to apply the prodrug concept to create a therapeutic antibody that remains inactive until it reaches the tumor. Probody therapeutics therefore have the potential to produce additional tumor specificity and enhanced safety profiles because they are designed to have limited interaction with their molecular targets in healthy tissue. This approach of dosing drugs in a form such that they are only activated after reaching certain tissues is called the prodrug approach, and has been used with many small molecule drugs, but has never before been effectively pursued using therapeutic antibodies.

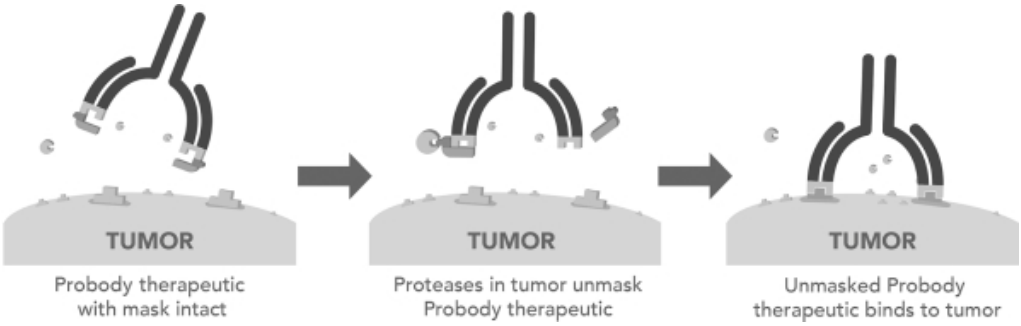
Cancer is the second leading cause of mortality in the United States and accounts for nearly one in every four deaths. Early cancer research and treatment relied on relatively non-specific and highly toxic small molecule chemotherapies. Over the last twenty years, a new paradigm of cancer research and treatment has emerged that is focused on more targeted therapies, including monoclonal antibody modalities, which represent some of the most effective and top-selling therapies on the market today. The leading three monoclonal antibodies for cancer generated more than $20 billion in global sales in 2014. More recently, immuno-oncology has emerged as a promising new field of cancer therapy that aims to enhance anti-tumor immune responses by, for example, overcoming the suppressive mechanisms that cancer cells have developed to evade the immune system. These therapies have shown the potential to provide dramatic efficacy and to extend survival, even in cancers in which conventional therapies, such as surgery, chemotherapy and radiotherapy, have failed. In addition, new classes of monoclonal antibody modalities have also reached the market. These new classes include ADCs and bispecific antibodies, which have more potency than first-generation antibodies.

Despite these advancements, many therapeutic antibodies are limited by a suboptimal therapeutic window. For example, the targets of antibody therapies are often found not only on tumors but also on healthy tissue, leading to toxicities. Consequently, there remains a significant need for therapeutics that are more efficacious, safe and tolerable. We believe our technology has the potential to address this need and represents the next evolution of targeted cancer therapies.

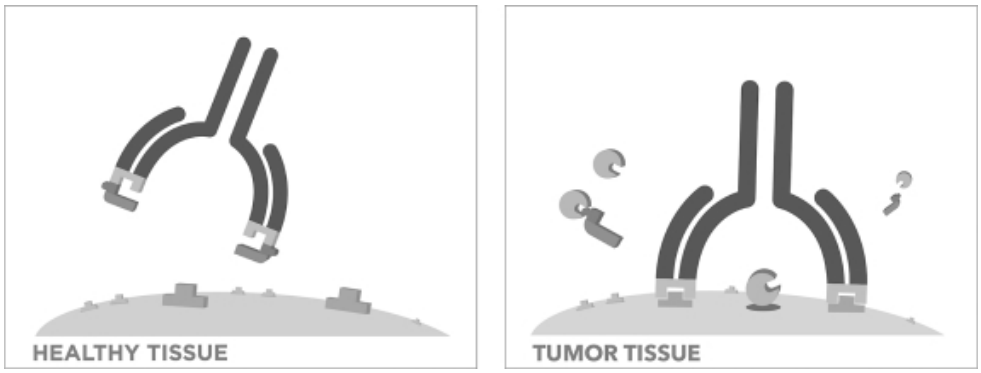
A Probody therapeutic consists of three components produced as a single protein by standard antibody production methodology: an active anti-cancer antibody, a mask for the antibody and a protease-cleavable linker. In preclinical testing, we have demonstrated the function of each of these components. The mask is a peptide designed to disguise the active binding site of the antibody to prevent the therapeutic from binding to healthy tissues. The following graphic depicts the three components of a Probody therapeutic, interacting with a protease:



When a Probody therapeutic enters a tumor, it encounters proteases, which are enzymes that cleave proteins and are active primarily in the tumor microenvironment. The proteases in the tumor cleave the linker, releasing the mask and allowing the antibody to attack the tumor. The following graphic depicts the activation of a Probody therapeutic by proteases:



The activity of proteases is a hallmark of virtually every type of solid tumor that has been studied, with thousands of scientific papers documenting this phenomenon. Our Probody technology is designed to take advantage of the fact that while proteases are active in cancerous tissues, they remain under tight physiological control in healthy tissues. Probody technology uses tumor-associated proteases to selectively cleave and activate Probody therapeutics in the immediate vicinity of tumors. Our Probody therapeutics are therefore designed to be activated by proteases predominantly in the tumor microenvironment while remaining largely in an inactive state in healthy tissues.



Key Advantages of Our Probody Platform

We believe that our Probody platform provides the following key advantages:

- ***A novel therapeutic antibody class enabled by our proprietary platform.*** We believe we have a differentiated technology platform that gives us a substantial competitive advantage supported by more than a decade of research and strong intellectual property.

- ***Potential to improve the therapeutic window of antibody-based therapeutics.*** By engineering our therapeutics to selectively activate in the tumor microenvironment, our Probody product candidates have the potential to improve safety and tolerability while simultaneously achieving better outcomes.

- ***Ability to combine more effectively with other therapies.*** We believe the therapeutic window and tumor specificity of our candidates will reduce the dose-limiting toxicities observed in combination therapies and thus enable new combinations with other cancer therapies that are difficult or impossible to use.

- ***Applicability across many molecular targets.*** We believe that our technology addresses many different molecular targets expressed by many different kinds of tumors—including targets that are difficult to address because they are also expressed on healthy tissue—because Probody therapeutics are designed to have limited interaction with non-cancerous tissues.

- ***Versatility across antibody modalities.*** We believe that our technology can be applied to any antibody-based therapy, including novel potent modalities like ADCs, T-cell-recruiting bispecific antibodies and CARs, which are cell-based therapies that contain chimeric antigen receptors.

Pipeline Strategies

We have three pipeline strategies that we are pursuing with our Probody platform:

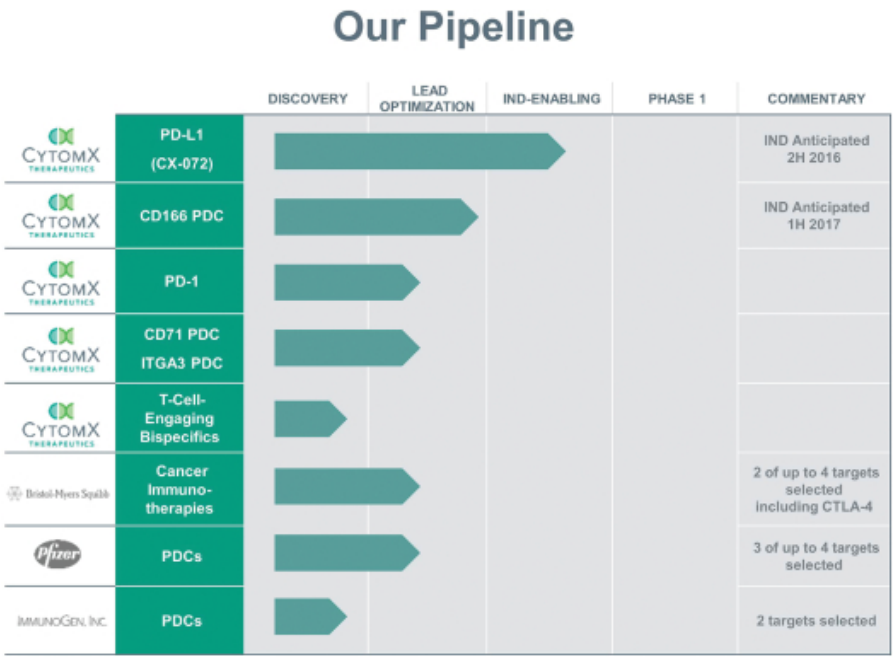
- ***Develop a novel class of cancer immunotherapies directed against clinically-validated targets***. Through our technology platform, we believe that we can expand the therapeutic window where current antibody therapies have encountered challenges with respect to safety or efficacy. For example, combination therapies in immuno-oncology have shown great promise in terms of efficacy but have been restricted by dose-limiting toxicities. Recent preclinical research has shown that localizing cancer immunotherapies to cancerous tissue has the potential to improve the therapeutic window in patients treated with the immunotherapies. We therefore see an opportunity to develop cancer immunotherapies using Probody therapeutics as the backbone for combination therapies. Our lead proprietary program for this pipeline strategy is CX-072, a Probody therapeutic candidate directed against PD-L1, a clinically-validated target in multiple tumor types including non-small cell lung cancer, bladder cancer and melanoma.

- ***Develop novel first-in-class therapeutics directed against difficult-to-drug targets.*** We believe we can create a therapeutic window in patients for targets where none exists because current approaches have not been viable as a result of toxicity concerns. Our Probody technology has the potential to address targets that are expressed in both tumor tissues and healthy tissues, which otherwise makes development of safe drugs and therapeutic biologics difficult. Given the novelty of these treatments and their potential to address unmet medical needs, we expect to pursue expedited review or accelerated approval paths, such as breakthrough therapy and fast-track designations, for these compounds. Furthermore, our Probody technology potentially enables us to take better advantage of the most potent modalities of monoclonal antibody therapeutics, such as ADCs and bispecific antibodies. Our lead proprietary candidate for this pipeline strategy is a PDC directed against the target CD-166, which is expressed in multiple tumor types including breast, lung, colorectal and prostate cancer.

- ***Collaborate with leading biopharmaceutical companies to discover and develop Probody therapeutics against selected targets.*** Since 2013, we have entered into product-focused collaborations with BMS, Pfizer and ImmunoGen to develop certain Probody therapeutics. For example, we have collaborated with a leader in the field of immuno-oncology, BMS, to develop a novel Probody therapeutic directed against CTLA-4, the target for Yervoy. Yervoy is a top-selling cancer therapeutic with $1.3 billion in sales in 2014. We foresee the opportunity to improve the therapeutic window of a CTLA-4 antibody with a Probody therapeutic. Given the breadth of opportunities for our Probody platform, collaborations continue to be an important part of our pipeline strategy.

Our Pipeline

The following chart provides an overview of the status of each of our programs:



In addition to the INDs we anticipate filing for CX-072 and CD-166 PDC, we believe that the programs in our pipeline have the potential to generate product candidates that could enable us to file INDs on such products in 2017 or 2018.

Our Company Origins, Team and Investors

Our Probody platform technology has its origins in work performed at the University of California, Santa Barbara ("UCSB"), by our scientific founder Professor Patrick Daugherty. Since our inception, we have continued developing and adding to this technology and aspire to design a pipeline of Probody therapeutics that will better the lives of cancer patients. We have assembled an experienced and talented group of individuals dedicated to the advancement of cancer care. Our chief executive officer, Dr. Sean McCarthy, leads a team that draws on robust experience in all phases of product discovery, clinical development and commercialization. Our research and preclinical development team is led by Dr. Michael Kavanaugh, chief scientific officer, and includes renowned and established researchers, and our clinical development team is led by Dr. Rachel Humphrey, chief medical officer. Our management team members have proven track records in oncology with previous experience at Amgen, Chiron, Five Prime, Genentech, Maxygen, Medarex, Millennium, Novartis, Onyx, SGX and others.

We are well capitalized by a strong core of investors including Third Rock Ventures, Canaan Partners, Roche Venture Fund, Casdin Capital, Cormorant Asset Management, Deerfield Management, Fidelity Management & Research Company, Perceptive Advisors, Pfizer Venture Investments, Redmile Group, Tekla Healthcare Investors, Tekla Life Sciences Investors, Venrock Healthcare Capital Partners and Wellington Management Company.

Our Business Strategy

We are utilizing our innovative Probody platform to build a long-term, multiproduct company focused on the development of new cancer treatments. Our vision is to transform lives with safer, more effective therapies. To realize this vision we are executing on our mission of changing the treatment of cancer by urgently advancing our Probody pipeline.

Our strategy encompasses the following key elements:

- ***Develop and advance our pipeline of Probody cancer immunotherapies directed against clinically-validated targets.*** We are developing Probody therapeutics against clinically-validated immuno-oncology targets with the goal of expanding the therapeutic window of antibody therapeutics in this important, emerging area of cancer therapy. The potentially improved safety profile offered by our Probody platform could unlock the promise of novel combinations with immunotherapies, an effective anti-cancer approach currently limited by unfavorable toxicities. Our lead wholly-owned program utilizing this approach is CX-072, our PD-L1 Probody therapeutic.

- ***Develop and advance our pipeline of first-in-class Probody cancer therapies directed against novel targets.*** We are developing Probody therapeutics against difficult-to-drug targets. Currently, many compelling cancer targets cannot be effectively targeted due to potential toxicity concerns, as these targets are expressed both in healthy tissue and in tumor tissue. Our Probody platform has the potential to generate a pipeline of products that remain largely inactive until they reach the tumor, activating specifically in the tumor microenvironment and potentially avoiding toxicity associated with binding to cells in healthy tissue. Our lead wholly owned program utilizing this approach is our CD-166 PDC.

- ***Establish collaborations on selected programs with leading biopharmaceutical companies while retaining significant ownership of our pipeline.*** We believe that establishing strategic collaborations with leading biopharmaceutical companies will build value for our shareholders. To date we have entered into collaborations with BMS, Pfizer and ImmunoGen. These alliances are multi-target, product-focused collaborations with the objective of broadening the reach of our Probody platform. For example, we are collaborating with BMS, a leader in immuno-oncology, on the discovery and development of a Probody version of Yervoy, an approved antibody targeting CTLA-4. Our current strategy is to retain full ownership of key products in our pipeline and partner selected programs. We intend to retain certain development and commercial rights for products in these future collaborations.

- ***Maximize value creation by advancing our lead products to commercialization, by ourselves or with partners.*** We currently have global development, marketing and commercialization rights for our lead product candidates, which target PD-L1 and CD-166, as well as additional pipeline candidates. Should we obtain regulatory approval for any of our products, we plan to build a commercial infrastructure to market our products. We may choose to opportunistically partner with biopharmaceutical companies on large and complex oncology indications. Furthermore, we may choose to partner in geographical areas outside the United States, as comprehensive capabilities of a leading industry partner may offer a faster path to key non-U.S. markets.

- ***Maintain our competitive advantage by continuing to invest in our Probody platform for the long term.*** Our platform is based on innovative science developed over the previous decade. We believe our technology has the potential to produce multiple product candidates in the future across a wide range of oncology indications, creating a robust pipeline of anti-cancer agents. We plan to continue exploring and investing further in our Probody technology to fully realize the potential of our platform.

- ***Nurture and reinforce our company's culture and core values to drive the highest levels of performance and continue to attract the best talent.*** Our core values of integrity, commitment, creativity, teamwork, accountability and fun are central to our success as a company. These values, along with our mission and vision statements, align our team with our corporate goals and serve to attract top talent that seeks to have an impact on cancer treatment.

Cancer Remains a Major Unmet Medical Need

Cancer is the second leading cause of mortality in the United States, accounting for nearly one in every four deaths. Approximately 40% of Americans will develop cancer, and, according to the American Cancer Society, there will be 1.7 million new cases of cancer and 589,000 deaths due to cancer in the United States in 2015.

Cancer treatment has traditionally included chemotherapy, radiation, surgery or a combination of these approaches. Small molecule chemotherapy agents can be effective in certain types of cancer, but they can also cause toxicities that may lead to life-threatening consequences, lower quality of life or untimely termination of treatment. Furthermore, these agents offer limited efficacy in many types of cancer.

Over the last twenty years, a new paradigm of cancer research and treatment has emerged that involves more targeted therapies, including monoclonal antibodies. Monoclonal antibodies are proteins derived from living organisms that bind to targets, called antigens, on tumor cells and then inhibit tumor growth. As a drug class, monoclonal antibodies have transformed oncology treatment and represent some of the most effective and top selling therapies on the market. For example, Herceptin, Avastin and Rituxan have dominated the market with over $20 billion in annual sales. The success of conventional monoclonal antibodies has been hindered by limited efficacy and by safety and tolerability concerns. Administration of antibodies may cause systemic side effects, as well as localized, organ-specific damage. Much of this toxicity is a direct consequence of the fact that healthy tissues express the same antigens that antibodies target on cancerous cells.

More recently, immuno-oncology has emerged as a promising new field of cancer therapy that aims to enhance anti-tumor immune responses by, for example, overcoming mechanisms that cancer cells have developed to evade the immune system. Some cancer cells overly express proteins, called immune checkpoints, that apply brakes to the immune system, and enable the tumor cells to evade destruction. Immune checkpoint inhibitors nivolumab, pembrolizumab and ipilimumab—antibodies targeting these immune inhibitory proteins—release these brakes and allow the immune system to destroy the tumor. These drugs have shown promising efficacy in clinical trials, including long-term remission in certain patients, and have been approved for the treatment of melanoma and non-small cell lung cancer. They are currently being explored for multiple other solid tumor indications. Although these drugs have demonstrated promising results, only a minority of patients receive durable benefit from treatment with these agents alone. Most recently, combination regimens of immunotherapy agents have demonstrated signs of improved efficacy in larger numbers of patients. We believe that combination therapy will play a critical role in future cancer immunotherapy regimens. However, many of these combinations have significant toxicity and tolerability issues, due in part to the activation of the immune system in both healthy and cancerous environments. We believe these issues will likely impact further clinical and commercial advancements of combination cancer immunotherapies.

In the past decade, a new modality of highly potent monoclonal antibody-based therapies has emerged. ADCs represent one such modality. These agents are comprised of two functional units chemically fused or conjugated to each other: a cytotoxic drug payload and a monoclonal antibody. ADCs combine the targeting abilities of the antibody with the cancer killing ability of cytotoxic drugs, leading to better specificity in targeting tumor cells compared to traditional chemotherapy. Ado-trastuzumab emtansine and brentuximab vedotin are ADCs that have been approved for the treatment of specific subsets of breast cancer and lymphoma, respectively. Bispecific antibodies, another class of second-generation biologics, have the ability to simultaneously bind a cancer cell and a T-cell, leading to the destruction of the cancerous cell by the T-cell. This ability improves the potency of bispecific antibodies compared to first-generation monoclonal antibodies.

Blinatumomab is an example of a T-cell-recruiting bispecific antibody that has recently been approved for the treatment of relapsed or refractory acute lymphoblastic leukemia ("ALL"). While all of these potent new therapies have shown promise, none addresses a key limitation of antibody-based therapeutics—expression of targets in healthy tissue, which leads to toxicity and limits clinical use.

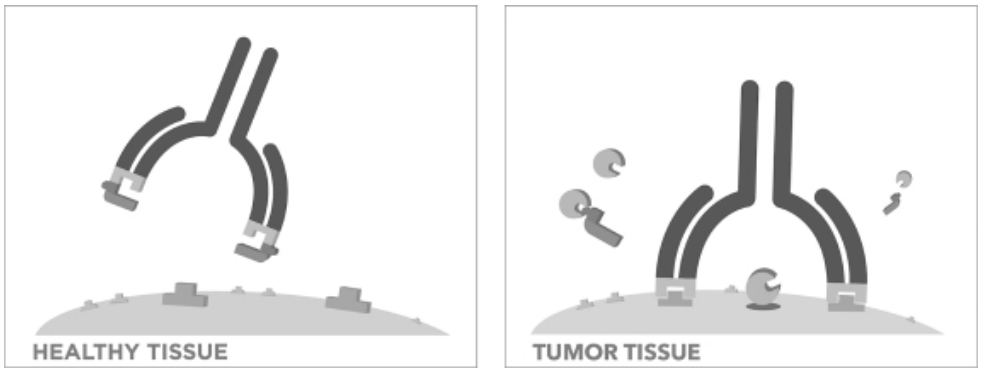
Exploiting Protease Biology for our Proprietary Probody Platform

Proteases play an essential role in many aspects of normal physiology, such as digestion of food in the gastrointestinal tract, wound healing and metabolic function. However, uncontrolled protease activity can lead to destruction of essential proteins and tissues. Therefore, proteases are normally very tightly regulated by redundant mechanisms, with very little extracellular protease activity detectable in healthy tissues. In contrast, it has been well documented that proteases are not only present, but also activated, in virtually all types of tumors, allowing for tumor growth, invasion and metastasis. We have been studying the role proteases play in cancer for over a decade, and how to use the proteases in tumors to our advantage. Probody therapeutics are designed to be activated in this protease-rich tumor microenvironment but not in healthy tissue where proteases are under tight control.

Our Probody Platform

Our Probody platform utilizes active proteases in tumor tissue to allow monoclonal antibody-based therapies to be delivered in an inactive state and then to be activated at the tumor site. This approach is designed to limit toxicity that typically arises from the binding of an antibody to a target in healthy tissues while preserving biological activity in the tumor where it is desired. We have demonstrated the applicability of the Probody platform to multiple monoclonal antibody modalities, including ADCs and T-cell-recruiting bispecifics. We are also investigating the application of Probody technology to CARs, which are cell-based therapies that contain chimeric antigen receptors.

Our Probody therapeutic consists of three components: an active anti-cancer antibody, a mask for the antibody and a protease-cleavable linker. In preclinical testing, we have demonstrated the function of each of these components. The mask is a peptide that limits the binding of a Probody therapeutic to its target in healthy tissues when introduced into the circulation. The mask can be released from the Probody therapeutic by specific tumor-associated proteases. When a Probody therapeutic encounters an activated protease, an enzyme that is active primarily in the tumor microenvironment, the protease cleaves the linker and releases the mask, freeing the antibody component to attack the tumor. We believe that this approach will localize therapeutic effects to the tumor and minimize toxicities in healthy tissue, as shown in the figure below:



Each Probody therapeutic is recombinant; that is, it is created using molecular biology techniques so that both the binding function and the cleavable linker function are encoded in the nucleic acid sequence and expressed as a single protein, like other monoclonal antibody therapeutics.

The design of the mask peptide and protease-cleavable linker is technically challenging. Together with experts in the field, we spent the last decade conducting research to characterize protease activity and to engineer proteins to take advantage of specific proteases. In addition, we devised criteria for identifying proteases that would work best in the context of our platform. Among these criteria, we targeted proteases that were:

- highly expressed in active form across multiple tumor types;
- either located on the outer cell surface or secreted by the cell;
- able to remove a mask from a Probody therapeutic; and
- significantly less active in normal, healthy tissues or in blood.

We have chosen and optimized protease-cleavable linkers so that any one of a number of activated proteases can cleave them. For example, our linkers can be cleaved by proteases such as matriptase and matrix metalloproteases, which have been shown to be active in numerous cancers such as colon, breast and pancreatic. Using this approach, we believe our Probody therapeutics can be cleaved and activated by at least one protease in the majority of tumors. We also developed a proprietary process to identify and optimize the mask peptides. Mask peptides must be potent enough to block the normal target binding activity of the antibody, but weak enough that they are readily displaced upon protease cleavage. We believe our expertise in fine-tuning our platform technology is a competitive advantage.

Our Pipeline Strategies For Our Probody Platform

Our First Pipeline Strategy

A novel class of cancer immunotherapies directed against clinically-validated targets. Through our technology platform, we believe that we can expand the therapeutic window for clinically-validated targets where current therapies have encountered challenges with respect to safety or efficacy. We have validated this approach preclinically with multiple targets, and plan to develop multiple novel Probody therapeutics in the field of immuno-oncology to address just such issues. Our first Probody product candidate in this area, CX-072, is directed against PD-L1 and is described later in this section.

Opportunity for safer and more effective therapies in immuno-oncology. We believe we have multiple opportunities to enter the immuno-oncology field given the potentially enhanced safety and efficacy profiles of our Probody product candidates. In particular, therapeutic approaches already validated by current drugs offer us attractive entry points. The approaches we are targeting initially are checkpoint inhibitors, where severe dose-limiting toxicities have been observed, especially in combination therapies.

The immune system is capable of recognizing and eliminating tumor cells; however tumors are sometimes able to block the immune response through alteration of regulatory checkpoint pathways. Tumors express proteins, called checkpoint proteins, which can apply the brakes to the immune system, preventing it from attacking the tumor. By creating a monoclonal antibody that inhibits these proteins, the brakes can be released, and the immune system can eliminate the tumor. Novel cancer therapies that target these proteins are being tested in clinical trials by others, and three antibody products, ipilimumab, pembrolizumab and nivolumab, have recently been approved by the FDA.

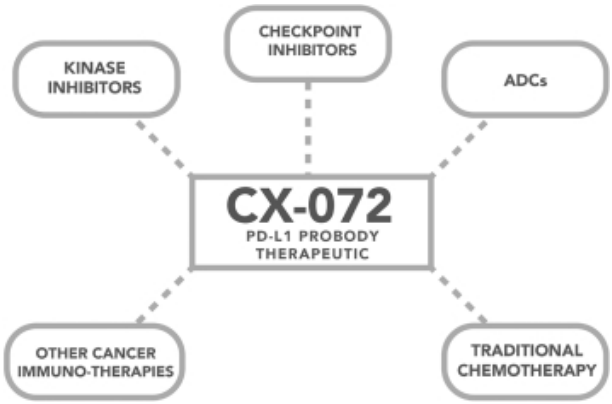
While this approach has resulted in remarkable clinical results, including long-term remissions in patients who previously would have died, there are significant toxicities associated with these therapies. Because tumors use the same mechanisms to inhibit the immune system that the body uses to ensure that the immune system does not attack normal tissues, these therapies release the brakes not only in the tumor, but also elsewhere in the body. This can result in the immune system attacking normal tissues and a number of toxicities, including, for example, severe lung inflammation.

Combination therapy is the next frontier in immuno-oncology. While single-agent therapy has proven to be effective in certain patients (inducing effective, durable remissions), the oncology community is currently exploring new, more potent combinations to create longer-term and more durable responses in a larger percentage of patients. This new potency addresses the lack of response seen in the majority of patients, but it brings with it additional toxicity. Data emerging from clinical studies has suggested that some combinations may provide promising enhanced anti-tumor efficacy, but at the expense of greater toxicities that may limit their clinical utility. In a recent clinical trial, 58% of patients treated with the combination of nivolumab and ipilimumab had an objective response, but 36% had adverse events severe enough that they had to withdraw from the trial and discontinue combination therapy. That withdrawal rate compared to 8% of patients receiving nivolumab alone and 15% of patients receiving ipilimumab alone. In another recent study, high grade drug-related toxicities persisted in approximately 29% of patients, even when the doses of the drugs were reduced and they were given less often.

Our Probody therapeutic solution for immuno-oncology. Recent research results have suggested that immunotherapy that is specifically directed to the tumor microenvironment while sparing the rest of the body may allow efficacy without the toxicities seen with systemic delivery of these drugs. In a mouse model investigators have shown efficacy of antibodies targeting CTLA-4 at much lower doses when the antibody was injected directly into a tumor rather than infused into the blood stream and delivered systemically. This result suggests that there are sufficient tumor-reactive immune cells, called T-cells, activated by the antibodies targeting CTLA-4 within the tumor to elicit an anti-tumor response, and that activation of T-cells outside of the tumor is not required to get the desired therapeutic effect. Therefore, local activation of immuno-oncology agents, such as checkpoint inhibitors, in the tumor microenvironment may yield efficacy while minimizing systemic exposure that may lead to toxicity.

Based on these results and our own research, we believe that inhibiting the checkpoints on T-cells locally, rather than systemically, using the Probody technology will significantly reduce toxicities and increase the tolerability of these types of cancer immunotherapies, especially in combination with other therapies. We believe that the challenges faced by combinations, including combinations with PD-L1 checkpoint inhibitors, will be observed across many classes of immuno-oncology therapeutics and other cancer therapeutics. We believe that Probody therapeutics represent an attractive way to limit or avoid the toxicities that are observed in these approaches, leading to better efficacy and safety. We believe that CX-072, our PD-L1 Probody therapeutic and follow-on product candidates against other immuno-oncology targets, for example, PD-1, have the potential to become a new backbone of the combination therapy in immuno-oncology.

The following graphic illustrates the central role in immuno-oncology that we believe CX-072 could play as a combination therapy partner for a variety of existing therapeutics:



Our Second Pipeline Strategy

Novel first-in-class therapeutics directed against difficult-to-drug targets. We believe we can create a therapeutic window in patients for targets where none exists in cases where current approaches have not been viable or are not expected to be viable because of toxicity concerns. Furthermore, our Probody technology potentially enables us to take better advantage of the most potent modalities of monoclonal antibody therapeutics such as ADCs and bispecific antibodies, which can be too toxic to use in some settings. We have validated this approach with multiple preclinical Probody therapeutics. Our first Probody product candidate in this area will be a PDC directed against CD-166, described later in this section.

Opportunity for therapies against difficult-to-drug targets. We are addressing targets that are difficult to drug, in a way that we believe will make these targets useful for cancer therapies for the first time. The development of oncology therapeutics has traditionally been hindered by the need to find "druggable" targets, that is, proteins that not only can be biologically affected by therapeutics, but also are found in abundance on tumor cells and not so abundantly on normal cells. Based on the conventional paradigm, a druggable target must be expressed at very low levels, or be absent, on healthy cells or there will likely be indiscriminate cell killing and toxicities as a result. Further, the target should be expressed at high levels in tumors to allow delivery of high levels of cytotoxic drug to the tumor. As a consequence, only a small number of targets have an expression profile that is suitable for developing effective oncology drugs and avoiding toxicity in normal tissues. This is especially the case for the new generation of highly potent antibody-based therapies, such as ADCs, T-cell-recruiting bispecific antibodies, and others, whose extreme potency typically demands even more stringent target selection.

Accordingly, targets that are difficult to drug due to their wide expression represent a very attractive new space for cancer drug development that other companies have largely not been able to pursue. Given our Probody technology, we believe we are in a position to address many new targets in previously untapped areas and open up a greater portion of tumor biology to therapeutic intervention.

Our Probody solution to difficult-to-drug targets. To be effective therapeutics, ADCs must bind to highly expressed tumor targets to enable the delivery of enough Cytotoxic payload to kill tumor cells, yet bind at low levels to normal tissues. We have systemically surveyed the human genome to identify targets for PDCs that are highly expressed in tumor tissue but that have not been pursued by others because of the concern of toxicity due to healthy tissue expression. Our Probody therapeutics have the potential to deliver more payload to tumor tissue but not significantly bind normal tissues, thereby creating products with viable therapeutic windows in patients. We have identified and are pursuing a number of such targets, such as CD-166. CD-166 is expressed at high levels in tumor cells, which may allow delivery of high levels of cytotoxin and therefore enable efficient tumor killing. Further, unlike conventional ADC targets, which are found in only a small number of tumor types because of their requirements for low normal tissue expression, PDC targets can be found in many different tumor types, suggesting that these product candidates could address very large markets.

PDC targets are expressed in many more cancers than validated ADC targets. Shown below is the prevalence of high level expression of certain clinically-validated targets:

		Breast	Prostate	Pancreas	Ovarian	NHL	Lung	Bladder
PDC Targets	**CD-166**	70%	80%	20%	50%	—	70%	15%
	CD-71	50%	30%	50%	60%	>90%	70%	50%
	ITGA3	15%	10%	>90%	75%	—	15%	>95%
Typical ADC Targets	**HER2**	25%	<5%	<5%	<5%	—	<5%	<5%
	CD-30	—	—	—	—	~50%	—	—

Our Third Pipeline Strategy

Collaborations with leading biopharmaceutical companies to advance Probody product candidates. We believe that the Probody platform has broad applicability across a number of targets and antibody formats. We have leveraged strategic partnering to extend the reach of our therapeutic opportunity. Since the beginning of 2013, we have entered into product-focused collaborations with Pfizer, ImmunoGen, and BMS to enable development of certain Probody therapeutics. In constructing each of these collaborations, our primary objectives were to collaborate with leading biopharmaceutical players to validate the potential of Probody therapeutics, to gain meaningful near-term funding and/or technology access to enable advancement of CytomX's wholly owned Probody therapeutics pipeline, and to retain significant milestones and royalties for long term upside. The details of our three existing collaborations are as follows:

- ***BMS Probody therapeutic collaboration.*** In May 2014, we entered into a collaboration with BMS for up to four targets. The initial focus of this collaboration is to develop Probody therapeutics against certain immunotherapy targets. We chose to form a collaboration with BMS because we believe that they have industry leading capabilities in immunotherapy, including approved products such as Yervoy, targeting CTLA-4, and Opdivo, targeting PD-1. The BMS collaboration provides us with a $50 million upfront payment, up to $25 million in additional target nomination fees, research funding, up to $1,192 million in development, regulatory, and commercial milestones and mid-single digit to low-teen royalties on net sales of products arising from this collaboration. Our collaboration is structured such that we are responsible for generating Probody therapeutics against selected BMS targets. BMS is responsible for development and commercialization for each of the four product candidates and bears all such costs in the collaboration. BMS has selected two of the targets in this collaboration and has an option to nominate two additional targets. The most advanced product candidate in this collaboration is our CTLA-4 Probody product candidate, which is currently in lead optimization stage. In preclinical models, our CTLA-4 Probody candidate has demonstrated *in vivo* efficacy with reduced systemic T-cell activation as compared to the underlying CTLA-4 antibody. Given their success with Yervoy, an antibody that targets CTLA-4, we believe that BMS is the optimal partner to advance a Probody therapeutic against this clinically-validated target. The second target that BMS has selected is also a cancer immunotherapy target. In preclinical models, Probody candidates against this target have demonstrated *in vivo* efficacy with reduced toxicity as compared to the underlying antibody.

- ***Pfizer PDC collaboration.*** In May 2013, we entered into a collaboration with Pfizer for up to four targets. We chose to form a collaboration with Pfizer because we believe that they have industry leading capabilities in ADCs, including access to proprietary drug conjugate linkers and toxins. The Pfizer collaboration provides us with up to $25 million in upfront payments, research funding, and near term milestones, up to $610 million in development, regulatory, and commercial milestones, and mid-single digit to low-teen royalties. Our collaboration is structured such that we are responsible for generating Probody therapeutics against Pfizer-selected targets and Pfizer is responsible for conjugating the Probody therapeutics with their proprietary toxins and related linkers to create PDCs. If Pfizer exercises its option for a commercial license, it would be responsible for development and commercialization for each of the four product candidates and would bear all costs in the collaboration. Pfizer has selected three of the targets in this collaboration and has an option to nominate one additional target. The most advanced program in the collaboration is in the lead optimization stage.

- ***ImmunoGen PDC collaboration.*** In January 2014, we entered into a collaboration with ImmunoGen in which we gained limited access to ImmunoGen's drug conjugate technology in exchange for ImmunoGen gaining limited access to our Probody platform. We chose to form a collaboration with ImmunoGen because they have drug conjugate technology that has been clinically-validated for multiple antibody products targeting solid tumor indications, including

Kadcyla and mirvetuximab soravtansine. Our collaboration is structured so that we have access to ImmunoGen's toxins and related linkers for one of our PDC targets. We have elected to utilize this license to enable our CD-166 PDC program. ImmunoGen is responsible for conjugating our Probody product candidate with their proprietary toxins and related linkers to create the PDC for our research and preclinical development. We retain full development and commercial rights for this product, and we may owe ImmunoGen up to $60 million in development and regulatory milestones, $100 million in sales milestones, and mid to high single digit royalties. Our CD-166 PDC program is currently in lead optimization stage. ImmunoGen gains access to our Probody platform for two targets, and have already nominated both of these targets. We are responsible for generating Probody therapeutics against these ImmunoGen targets and ImmunoGen is responsible for conjugating these using their proprietary toxins and related linkers to create the PDCs. ImmunoGen retains full development and commercial rights for these products, and ImmunoGen owes us up to $30 million in development and regulatory milestones, $50 million in sales milestones, and mid-single digit royalties per program. The most advanced ImmunoGen product is currently at discovery stage.

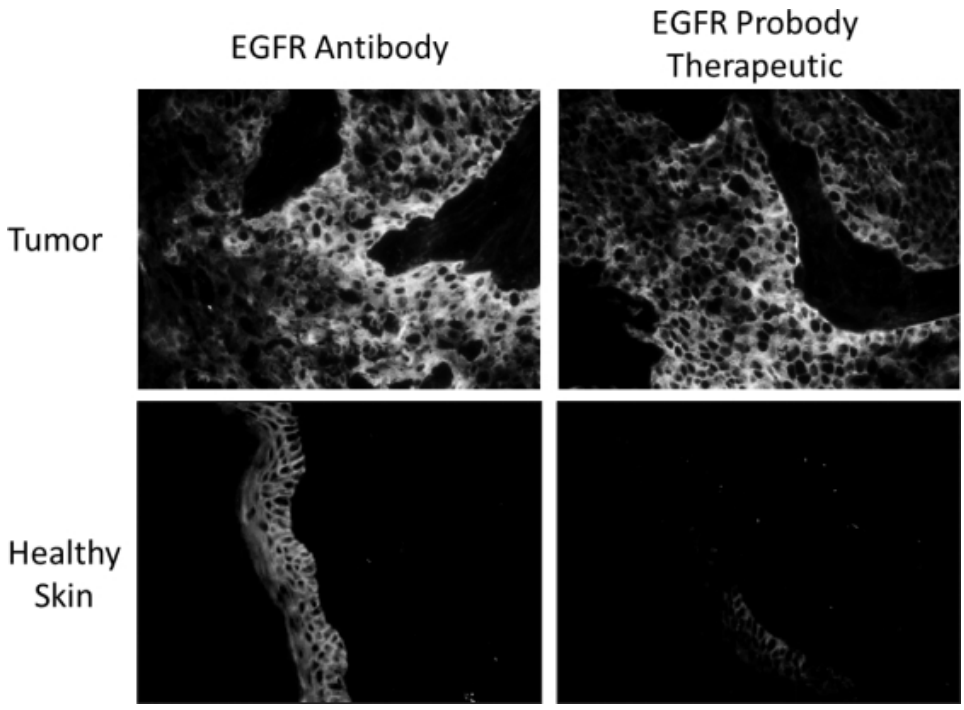
Preclinical Proof of Concept

Preclinical Probody Platform Proof of Concept on a Clinically-Validated Target: EGFR

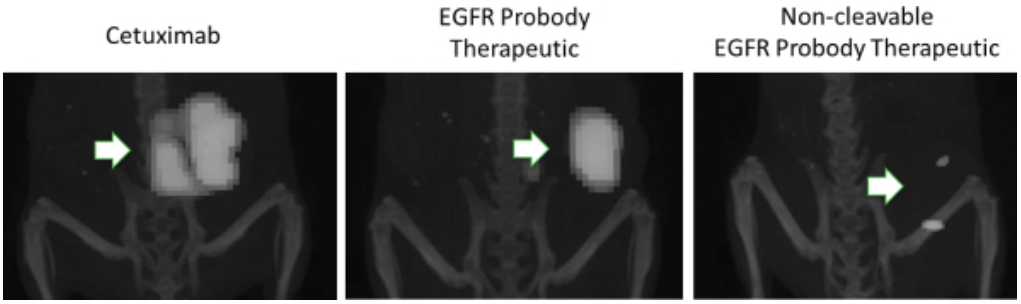
To demonstrate that Probody therapeutics are capable of improving the therapeutic window and potential clinical utility of therapeutics directed against clinically-validated targets, we generated a Probody therapeutic directed against EGFR. Antibodies that bind EGFR are the basis of the marketed cancer therapeutics cetuximab and panitumumab, and are used in the treatment of colorectal and head and neck cancers, which express EGFR at high levels. A characteristic feature of antibodies targeting EGFR is that they cause a dose-limiting skin rash in as many as 90% of patients, due to the presence of EGFR in healthy skin. We hypothesized that an EGFR Probody therapeutic may be able to achieve similar levels of anti-tumor efficacy as an EGFR antibody, but should produce less toxicity because Probody therapeutics are designed to have limited interaction with healthy tissues, such as skin.

To confirm this hypothesis, we first compared the ability of the EGFR-targeting antibody cetuximab and an EGFR Probody therapeutic derived from cetuximab to bind to EGFR-expressing human tumors and to healthy human skin. Cetuximab labeled with a fluorescent marker was allowed to bind to a section of tumor and skin tissue, and binding was detected by looking for fluorescence in the section. As expected, cetuximab bound to both colon tumors and to healthy skin. However, if fluorescently-labeled EGFR Probody therapeutic was incubated with these tissues, it bound to the tumor similarly to cetuximab, but did not bind significantly to healthy skin. The tumor had active proteases that were capable of cleaving the mask from the Probody therapeutic and releasing the antibody which bound to the EGFR found in the sample. However, healthy skin had insufficient active protease to cleave the mask, and the Probody therapeutic did not effectively bind to the EGFR present in healthy skin.

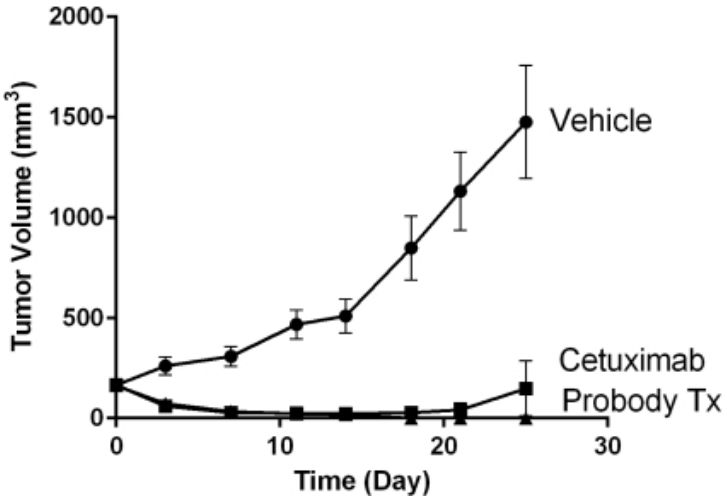
The following graphic depicts the comparable binding of an EGFR-targeting antibody and an EGFR-targeting Probody therapeutic to EGFR-expressing human tumors, and further illustrates that the Probody therapeutic did not bind effectively to healthy skin:



Next, we showed that the EGFR Probody therapeutic was activated by protease and bound to its target in tumors in a mouse xenograft model. Tumors formed by injection of EGFR-expressing human lung cancer cells were readily recognized by the EGFR-targeting antibody cetuximab and also by the EGFR Probody therapeutic. However, a modified Probody therapeutic containing a non-cleavable linker sequence rather than the normal, protease-cleavable linker was not activated by tumor proteases, and binding of the Probody therapeutic to the tumor was not observed. This concept is illustrated by the figure below:



Based on these data, we predicted that an EGFR-directed Probody therapeutic should be efficacious against EGFR-expressing tumors but should avoid the skin toxicities associated with this type of therapy. In a mouse xenograft model performed by us, we demonstrated that an EGFR-directed Probody therapeutic was equally efficacious in inhibiting tumor growth as cetuximab when given at the same dose, as illustrated by the graph below:



The following table shows data generated by us that demonstrates that treatment of non-human primates with cetuximab induces skin rash while an EGFR-directed Probody therapeutic does not.

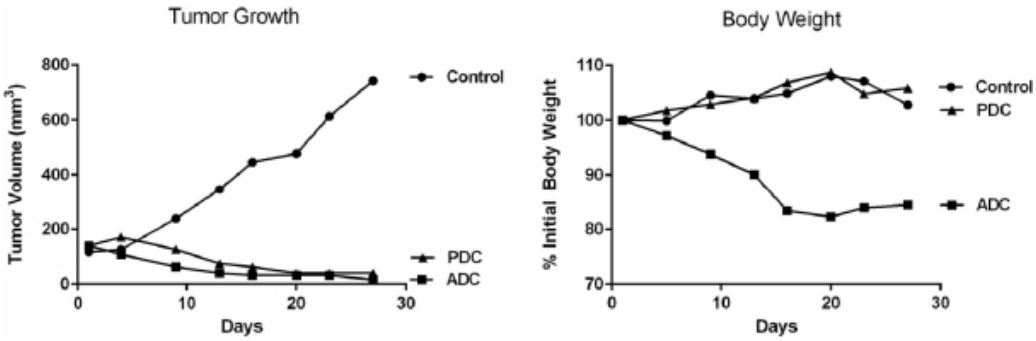
	Animal	Result
Cetuximab	**Subject 1**	Rash
	Subject 2	Redness
	Subject 3	Rash
Probody Therapeutic	**Subject 4**	No Rash
	Subject 5	No Rash
	Subject 6	No Rash

We have out-licensed rights to the EGFR Probody drug conjugate modality to Pfizer, but have retained rights to all other modalities of the EGFR Probody platform, including bispecific Probody therapeutics.

Preclinical Probody Platform Proof of Concept for a Difficult-to-Drug Target: Jagged

As a preclinical proof of concept for our approach to difficult-to-drug targets, we made a PDC against Jagged, a protein in the Notch signaling pathway. The Notch pathway has been extensively studied as a potential intervention point for oncology therapies because of its role in the development and growth of tumors, and Jagged is expressed more highly in tumors than in normal tissues, which might make it an attractive drug target. However, Jagged is expressed in normal tissues and has an important role in normal physiology. Accordingly, mice treated with an antibody directed against Jagged suffer severe side effects, including the loss of body weight, loss of hair, and release of proteins called cytokines that induce inflammation in the animal.

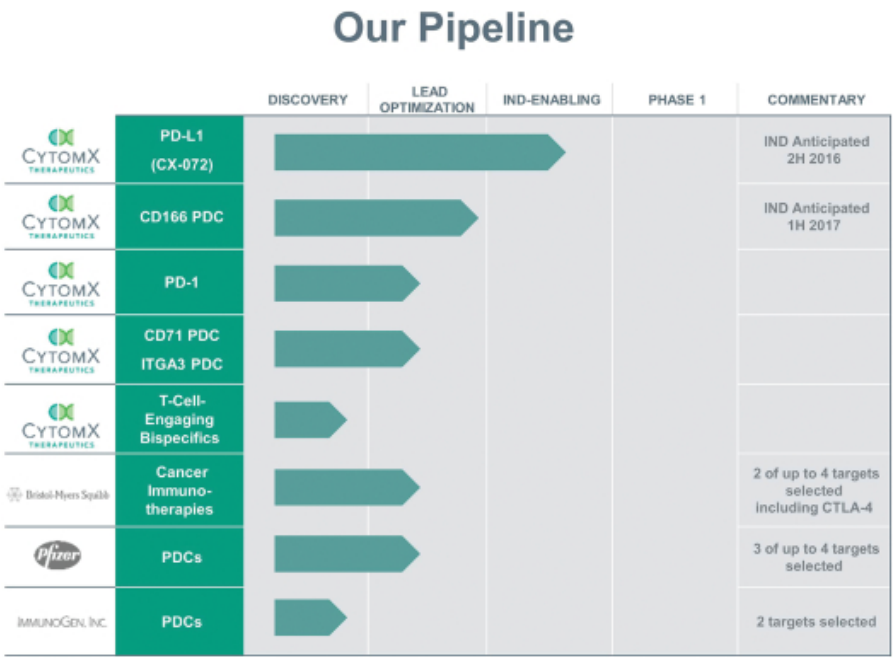
We made a PDC against Jagged and compared its effects in tumor-bearing mice to those of an anti-Jagged ADC. As shown below, the PDC administered by us achieved similar anti-tumor efficacy as the ADC administered by us, and there were significantly fewer side effects as measured by body weight, which we believe was a result of limited interaction with Jagged in healthy tissues:



These results demonstrate that a Probody therapeutic can be efficacious and safe when directed to a target that is difficult to approach with antibodies because of toxicity concerns. We are continuing research on anti-Jagged Probody therapeutics with our academic collaborators.

Our Product Candidates

The following chart provides an overview of the status of each of the programs in our pipeline:



PD-L1 Overview

The immune system is capable of recognizing and eliminating tumor cells; however, tumors are sometimes able to evade the immune response through alteration of regulatory checkpoint pathways. One of these pathways is driven by PD-L1 which is overexpressed by some tumors. PD-L1 binds to its receptor, PD-1, on immune T-cells and can suppress immune activation. Between 35% and 100% of certain types of cancer, such as melanoma, hepatocellular carcinoma, colorectal cancer, and non-small cell lung cancer, overexpress PD-L1. Novel cancer therapies that target PD-L1 or PD-1 are being tested in clinical trials by others.

Limitations to Current PD-L1-Targeted Therapeutics

The normal role of the PD-L1/PD-1 pathway is to prevent autoimmune attacks against healthy tissue in the body. Due to the systemic inhibition of this pathway by current cancer immunotherapies, patients face the risk of a number of adverse events associated with inappropriate activation of the immune system beyond the tumor site, including severe lung inflammation. Thus, although PD-L1/PD-1 pathway inhibitors are highly promising in multiple cancers, their toxicity presents a challenge that has not been effectively addressed by existing therapies, particularly when used in combination with other immunotherapies.

Our Solution, CX-072, Our PD-L1 Probody Therapeutic

Our PD-L1 Probody therapeutic, CX-072, is based on a monoclonal antibody targeting PD-L1 that we developed. We anticipate filing an IND, or similar regulatory filing, for CX-072 with the FDA or a foreign regulatory authority in the second half of 2016.

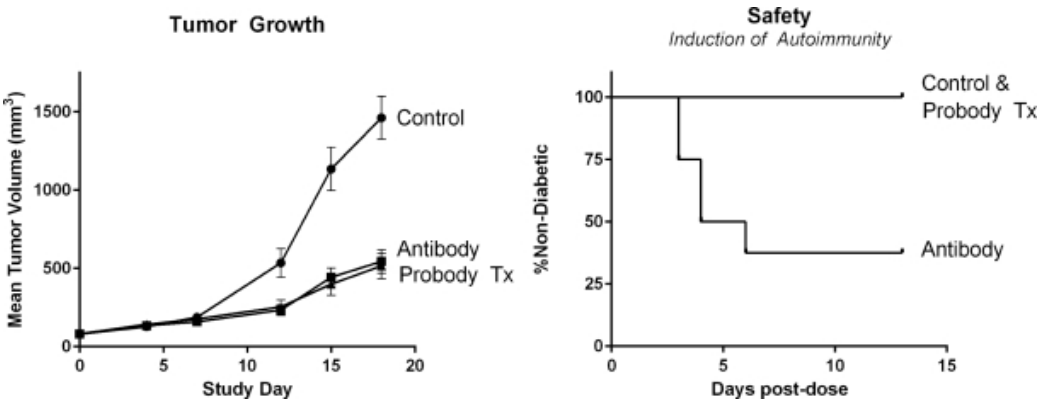
Our preclinical results have shown that CX-072 binds more weakly to PD-L1 than its underlying antibody in the absence of protease activation because of the presence of the mask. Once the mask is removed, the released antibody component of CX-072 binds to human, mouse, and non-human primate PD-L1 tightly. CX-072 has shown *in vivo* efficacy comparable to well-published reference PD-L1-targeting antibodies in various animal models. We expect the tolerability of CX-072 to be higher than other PD-L1-targeting antibodies due to the fact that CX-072's activity has been shown to be attenuated by the mask such that it does not significantly inhibit the PD-L1/PD-1 checkpoint pathway outside of the tumor.

PD-L1 presents, we believe, an ideal case for the development of a Probody product candidate because it is a clinically validated immuno-oncology target. Further, the fact that PD-L1 is expressed on the surface of tumor cells, physically near to where proteases are found, potentially may favor the efficient cleavage and activation of the PD-L1 Probody therapeutic close to its site of action and ensure the Probody therapeutic will be maximally efficacious.

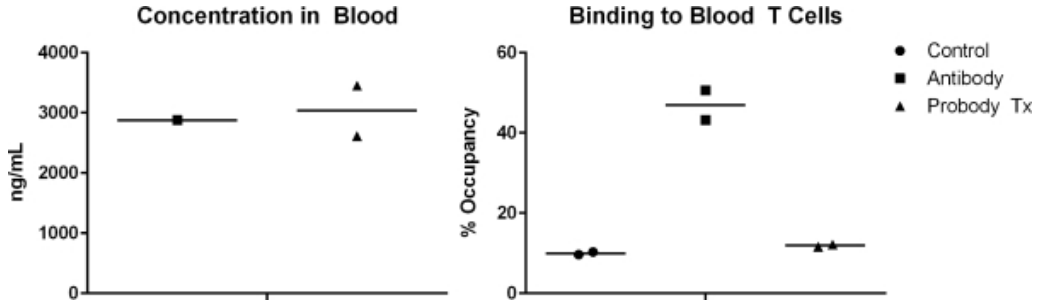
Preclinical Data

The efficacy of our PD-L1 Probody product candidate in a mouse MC38 xenograft model of colon adenocarcinoma is equivalent to that observed with the PD-L1 monoclonal antibody it was derived from and to published studies of other PD-L1 antibodies, signifying that the Probody therapeutic is activated in tumors in this animal model. Multiple studies have demonstrated that inhibition of PD-L1 by monoclonal antibodies induces autoimmunity in a mouse autoimmune diabetes induction model. The lack of significant systemic activation of this Probody therapeutic was evidenced by its reduced ability to induce autoimmune diabetes compared to the parental antibody. Systemic dosing of a PD-L1 Probody therapeutic in this mouse model did not lead to diabetes in any of the mice while the majority of mice who received the same dose of the parental PD-L1 antibody developed diabetes within one week.

The following graphs demonstrate the comparable efficacy of a PD-L1 Probody therapeutic and a PD-L1-seeking antibody in a mouse colon cancer xenograft model (left panel), as compared to the greater relative safety of the PD-L1 Probody therapeutic (right panel):



To investigate further, we examined how much antibody or Probody therapeutic was present in blood and bound to T-cells in these mice. As shown below in the left panel, the PD-L1 Probody therapeutic and antibody were present at equal levels in the blood. However, as shown below in the right panel, a significant amount of antibody targeting PD-L1 was found attached to T-cells in the blood while very little of the Probody therapeutic was found attached to these cells:



These observations are consistent with our prediction that Probody therapeutic CX-072 should minimally interact with its target, PD-L1, outside of the tumor, should not bind significantly to immune cells in the blood or in the pancreas, and therefore should not induce autoimmunity to the extent that a conventional antibody targeting PD-L1 does. We believe our findings demonstrate for the first time that a PD-L1 blockade limited to the vicinity of the tumor microenvironment is sufficient to drive anti-tumor responses.

Clinical Plan Including Potential Combinations

We intend to initially investigate the clinical potential of our PD-L1 Probody therapeutic in a Phase 1 trial in indications where preliminary efficacy has already been demonstrated with other PD-L1 antibody products used as monotherapy, such as in melanoma, non-small cell lung cancer or bladder cancer. We intend to assess the utility of selecting patients using biomarkers, such as the expression of PD-L1 in the tumor, to increase the probability of patients in our trials responding to our product candidate. We also intend to examine whether the PD-L1 Probody therapeutic is activated in tumors but not systemically. While the primary goal of our Phase 1

trial is safety, we will also assess preliminary evidence of efficacy. We intend to advance our PD-L1 Probody therapeutic into combination trials where our aim is to demonstrate reduced toxicity with similar efficacy versus other combination therapies. Because a large proportion of patients in early trials of combination immunotherapies, such as the combination of ipilimumab and nivolumab, had to withdraw due to toxicity, we believe that a PD-L1 Probody therapeutic has the potential to treat a larger proportion of patients for a longer period of time, allowing more patients to benefit from therapy. We believe that our PD-L1 Probody therapeutic has the potential to become a centerpiece of combination cancer therapy.

Our Product Candidate, CD-166 Probody Therapeutic

CD-166 Overview

CD-166, also referred to as activated leukocyte cell adhesion molecule ("ALCAM") is involved with cell adhesion and migration. It is expressed at very high levels in many tumors including 70% or more of prostate, breast, and lung cancers and 50% of ovarian cancers. Its expression has been linked to cancer stem cells and overall poor prognosis in cancers such as colorectal cancer. Preliminary experiments conducted at the University of Oslo in a mouse colorectal xenograft model using a CD-166 single-chain antibody delivered directly to the tumor confirmed the potential efficacy of targeting CD-166. However, we believe that CD-166 is a poor candidate for standard antibody-based therapies, including ADCs, because it is widely expressed in many normal tissues.

Our Solution, CD-166 PDC

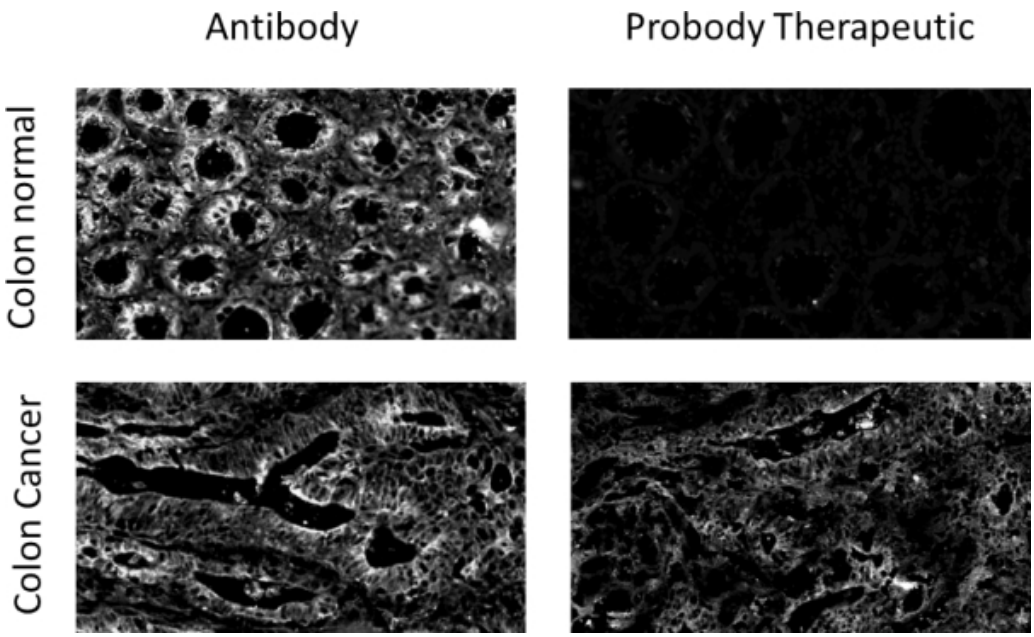
Our CD-166 PDC, composed of a Probody therapeutic targeting the CD-166 protein antigen coupled to a highly potent cytotoxic drug, DM4. We anticipate filing an IND for CD-166 PDC in the first half of 2017.

CD-166 is a cell surface protein that is highly expressed in a wide variety of tumors. While its broad and high expression in tumors makes it a very attractive target for antibody-based therapeutics, CD-166 is also expressed in normal tissues, which would normally raise toxicity concerns. We believe that the wide expression of CD-166 would rule out the development of a standard ADC against this target. By contrast, based on preclinical findings, our Probody platform enables us to generate a CD-166 antibody product that remains largely inactive until it reaches the tumor, thus reducing unwanted toxicity associated with binding to cells in normal tissue. As a result, we believe we can create a therapeutic window in patients for our CD-166 PDC where none existed before. In preclinical animal models, we have shown that our CD-166 PDC has antitumor activity similar to a CD-166 monoclonal ADC and is well-tolerated.

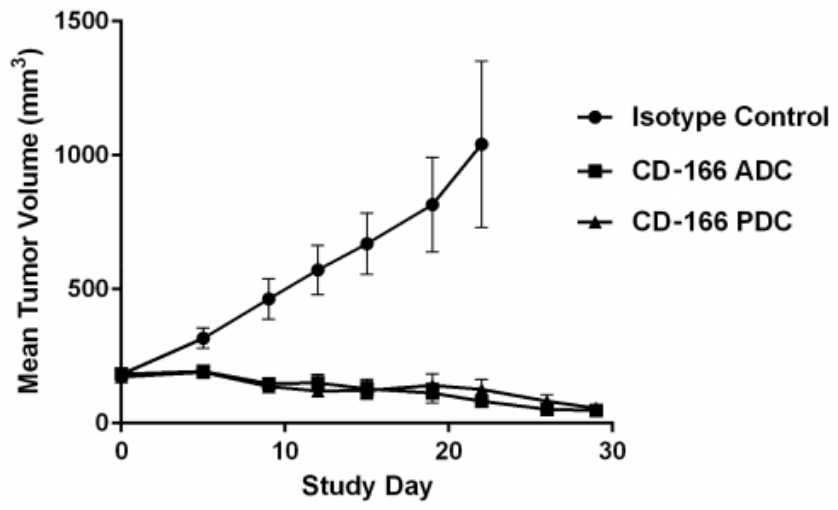
We chose to conjugate the antibody component of our CD-166 Probody candidate with a highly potent cytotoxic drug, DM4, developed by and licensed from our partner ImmunoGen. DM4 has an established regulatory and clinical trial history including in ImmunoGen's IMGN 853, or mirvetuximab soravtansine, a potential new treatment for patients with folate receptor alpha-positive cancer including ovarian cancer. Our goal is to increase the efficacy of our CD-166 Probody therapeutic by including this cytotoxic drug conjugate and we believe that our technology will limit potential systemic toxicity associated with expression of CD-166 in healthy tissue.

Preclinical Data

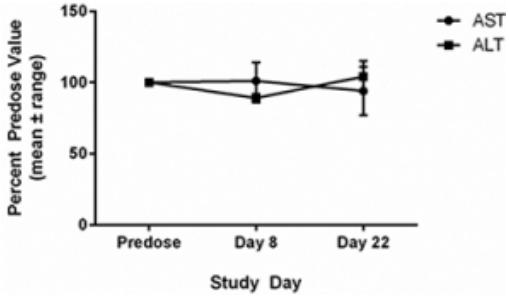
The tumor-selective activation of our CD-166 Probody product candidate has been demonstrated in the comparison of Probody therapeutic and antibody binding to CD-166 in healthy and cancerous colorectal tissue sections. The parental antibody targeting CD-166 bound to CD-166 on both normal and cancer samples. The Probody product candidate requires activation by proteases before it can effectively bind to CD-166, and because these proteases are present primarily in the cancer sample, the Probody product candidate specifically bound to the tumor and not to the healthy colon tissue. This is illustrated in the figure below:



We have also shown that the CD-166 PDC is as efficacious as a CD-166 ADC in a mouse H292 lung cancer xenograft model, as well as in other models. These findings confirm that sufficient local activation of our CD-166 Probody therapeutic occurs within the tumor microenvironment, resulting in an equivalent anti-tumor response to the CD-166 ADC. As shown in the following graphic, both product candidates not only prevented tumor growth but also led to tumor shrinkage over a one-month time span.



We also investigated the safety of the CD-166 PDC in a three-week, single dose study in non-human primates. There was no evidence of on or off-target toxicity, including clinical signs, weight loss, or abnormal laboratory findings from this study, despite the expression of CD-166 in multiple non-human primate healthy tissues. The measurement of the blood level of liver-derived proteins call AST and ALT are typical indicators of liver toxicity. Notably AST and ALT did not change following treatment with the CD-166 PDC despite high-level expression of CD-166 in non-human primate liver tissue, as shown in the figure below. We are now conducting longer term and repeat dosing toxicity experiments.



Clinical Plan

We anticipate filing an IND for CD-166 PDC in the first half of 2017. We intend to test the CD-166 PDC in patients with tumors that express high levels of CD-166, including cancers that have no existing effective therapies, which may enable accelerated development and registration strategies, such as breakthrough therapy and fast-track designations. We will investigate whether a companion diagnostic is useful in identifying patients

more likely to respond to our drug, such as a test that examines the level of expression of CD-166 in the tumor. We expect that any Phase 1 trial will primarily assess safety and will also look for preliminary evidence of efficacy. We also expect to examine whether the Probody therapeutic against CD-166 is activated in patient tumors, but not systemically.

Other Product Candidates in Preclinical Development

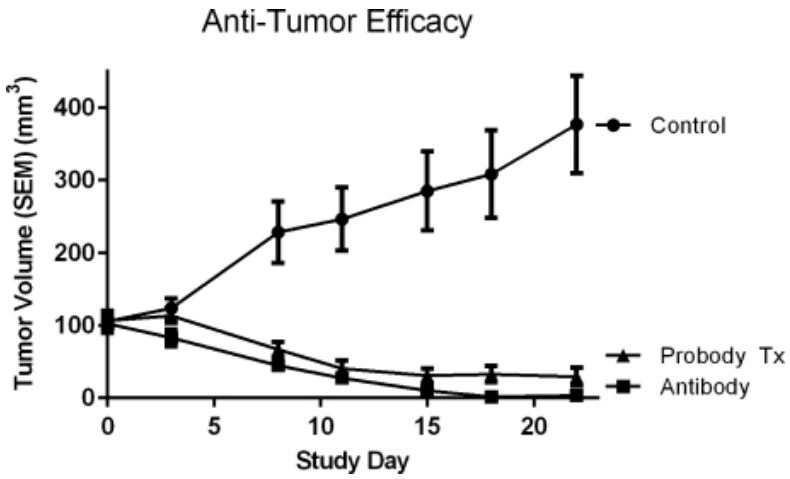
We are actively pursuing the application of our Probody technology to multiple other product candidates. These include other product candidates directed against checkpoint pathways, and other first-in-class PDC product candidates. We have applied our technology and are advancing product candidates based on T-cell-recruiting bispecific antibodies. We also recognize that new immunocellular therapies such as CAR-T therapies rely on recognition of tumor antigens using molecular components that may be synthesized as Probody constructs. We believe that our technology has the potential to enhance the therapeutic window of CAR-T therapies enabling them to translate their remarkable clinical responses in hematological tumors to solid tumors.

Bispecific Probody Therapeutics

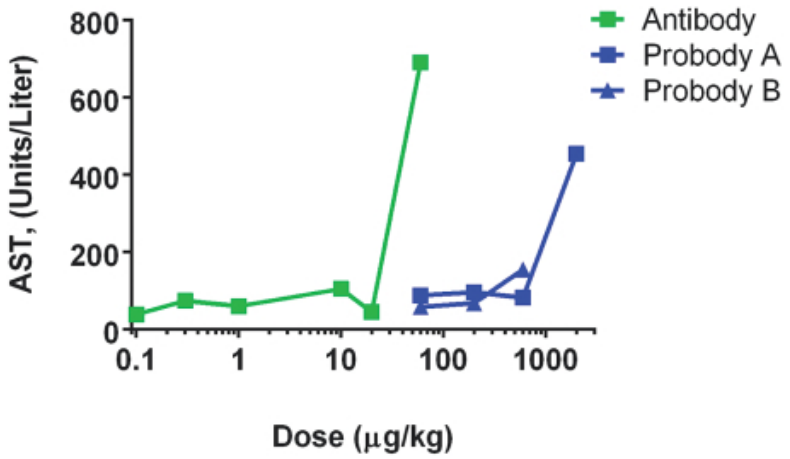
A bispecific antibody is a product that is engineered to simultaneously recognize two distinct antigens. In oncology, bispecific antibodies are often designed to bind both a tumor antigen and a T-cell antigen such as CD3, directly activating the T-cell in the vicinity of the tumor, thereby killing the cancerous cells. Blinatumomab is an example of a bispecific product that has recently been approved for the treatment of relapsed or refractory ALL. Blinatumomab recognizes the CD19 target on tumor cells as well as CD3 on T-cells, resulting in activation of the T-cells and generation of an effective immune response against the tumor. The challenge facing the development of bispecific antibodies is the same as that faced by other tumor-antigen based therapies—high potency directed against tumor antigens that are also expressed on healthy cells, leading to toxicity. T-cell-recruiting bispecific antibodies have been successfully developed for hematologic cancers like leukemia in part because the targets for those cancers are also present on dispensable healthy cells and the toxicity is therefore manageable. In contrast, T-cell-recruiting bispecific antibodies have been particularly difficult to develop against solid tumors in part because those targets are frequently also present on important healthy cells and the toxicity can be difficult to manage.

We believe that our Probody platform has the potential to take advantage of the potency of T-cell-recruiting bispecific antibodies to kill solid tumors but largely avoid the toxicity caused by interaction with essential healthy tissues. To demonstrate this, we have applied our know-how to the design of a bispecific Probody therapeutic that binds to CD3 on T-cells and EGFR on solid tumor cells. We demonstrated that this bispecific Probody therapeutic was efficacious in a mouse model of colorectal cancer at doses that were similar to the bispecific antibody from which it was derived.

The following graph demonstrates the comparable efficacy of our bispecific Probody therapeutic and a the bispecific antibody from which it was derived, in a mouse model of colorectal cancer:



In addition, our preclinical studies support that the bispecific Probody therapeutic was more than tenfold safer than the bispecific antibody in non-human primates as measured by blood tests of vital organ function and for release into the bloodstream of toxic molecules called cytokines:



Based on this proof of concept data, we intend to generate and optimize T-cell-recruiting bispecific Probody therapeutic candidates against a variety of targets.

CTLA-4 Probody Product Candidate in Collaboration with BMS

We are developing a CTLA-4 Probody therapeutic with BMS. Published data in mouse models have demonstrated the potential value of localized intratumoral delivery of CTLA-4 antibodies to maintain efficacy while limiting toxicity. We believe that our CTLA-4 Probody therapeutic can effectively localize CTLA-4 antibody activity to the tumor while allowing systemic dosing, thereby limiting systemic toxicities normally seen with Yervoy. We believe that BMS is the optimal strategic partner for our CTLA-4 Probody therapeutic given their expertise in cancer immunotherapy and their success with Yervoy.

CTLA-4 Overview. Cytotoxic T-lymphocyte-associated antigen 4 ("CTLA-4") is an immune checkpoint involved in regulating T-cell activation. BMS is currently marketing a CTLA-4 monoclonal antibody, Yervoy, that has been approved for unresectable or metastatic melanoma. CTLA-4 antibodies lead to T-cell activation for a wide range of antigens, including tumor antigens, which is the basis for its anti-tumor effect, and self-antigens, which may be the basis for the autoimmune toxicities associated with CTLA-4 antibodies therapies. In partnership with BMS, we are developing a CTLA-4 Probody therapeutic. The FDA approval for ipilimumab comes with a black box warning about potential severe and fatal immune-related adverse events. While the toxicities associated with ipilimumab can be successfully managed in many patients, up to 27% of patients in a phase 2 trial discontinued treatment due to adverse events. The use of ipilimumab in combination therapy with nivolumab, a PD-1 checkpoint inhibitor, led to increased rates of serious adverse events with 55% of patients with a severity of grade 3 or 4 events in patients treated with both drugs compared to 27% in the ipilimumab-treated patients and 16% in the nivolumab treated-patients.

We believe the systemic toxicity associated with CTLA-4 directed therapy might be reduced by local delivery of CTLA-4 antibodies to the tumor. In previous experiments with a MC-38 xenograft mouse model, investigators have shown local infusion of small doses of the antibody directly into the tumor resulted in an anti-tumor response and increased survival while lowering the systemic levels of the CTLA-4 antibody by approximately 1,000 fold. In MC-38 xenograft preclinical models, our CTLA-4 Probody candidate has demonstrated *in vivo* efficacy with reduced activity on peripheral T-cells as compared to CTLA-4 antibody. We believe that our CTLA-4 Probody therapeutic can be dosed systemically, achieve localized tumor-specific activation, and thus achieve a clinically important improvement in safety.

PD-1 Probody Therapeutic

PD-1 is the receptor for the PD-L1 ligand responsible for inhibiting T-cell activation. It is the target for various immuno-oncology products including nivolumab and pembrolizumab, which have been approved for melanoma. Because, like PD-L1, inhibiting PD-1 is associated with immune attack on normal cells, PD-1 therapy has been associated with significant toxicities, especially when used in combination with ipilimumab, another immunotherapy. We are developing a PD-1 Probody therapeutic as an additional approach to block the PD-L1/PD-1 pathway.

CD-71 PDC Program

Transferrin receptor 1, also known as CD-71, is a protein that is essential for iron uptake in dividing cells, is expressed at low levels in most normal tissues and is overexpressed in tumor cells. The combination of high expression in tumors and ubiquitous expression in normal tissue makes CD-71 a difficult target for conventional ADCs and an ideal candidate for development of a PDC. Our CD-71 PDC has demonstrated efficacy in lung and breast xenograft models and is well-tolerated preclinically.

Integrin alpha-3 PDC Program

Integrins are cell surface proteins that are responsible for cell-cell and cell-extracellular matrix interactions. Integrin alpha-3 or ITGA3 is highly expressed and highly prevalent in cancers such as pancreatic, ovarian, and breast and it has been associated with tumorigenesis and metastasis. Our ITGA3 PDC has demonstrated efficacy in multiple xenograft models and is well-tolerated preclinically.

Manufacturing

Our Probody candidates are designed to be fully recombinant antibody prodrugs and to be produced as a single molecule. Our Probody candidates are also designed to maintain the manufacturability benefits of

antibodies and leverage well established technologies used for antibody production. We have significant expertise in the production of therapeutic biologics. We conduct cell line development and process development both in-house and in collaboration with contract manufacturing organizations ("CMOs"). CMOs are responsible for actual production of clinical drug product and drug substance materials.

Our process development and manufacturing strategies are tailored to rapidly advance our two lead programs and we employ multiple complementary approaches to ensure successful execution. Our lead Chinese hamster ovary cell line has been successfully used for manufacturing several antibodies and requires minimal process optimization to establish a process to support early phase manufacturing. We utilize well established production steps typically part of a platform manufacturing process for antibodies. The CMO we have selected has a strong track record in manufacturing therapeutic biologics, including antibodies; all activities from cell line development to formulated drug product are performed at one location to maintain aggressive timelines and minimize delays that can result from engaging multiple parties for manufacturing. Similarly, for our PDC projects we will select CMOs with strong expertise in clinical/commercial drug conjugate manufacturing and with capabilities for toxin conjugation and fill-finish. Furthermore, our lead PDC program incorporates a toxin payload that has an established clinical and regulatory history.

Competition

The biotechnology and biopharmaceutical industries, and the immuno-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 Probody platform and scientific expertise in the field of biologics and immuno-oncology 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. We face substantial competition from biotechnology and biopharmaceutical companies developing products in immuno-oncology. These competitors generally fall within the following categories:

Cancer immunotherapies: AdaptImmune LLC, AstraZeneca PLC, BMS, GlaxoSmithKline plc, Idera Pharmaceuticals, Inc., Immune Design Corp, Merck & Co., Inc., NewLink Genetic Corporation, Novartis AG, Pfizer, Roche Holding Ltd and Sanofi SA.

Antibody drug conjugates: ImmunoGen and Seattle Genetics, Inc.

Immune-based treatments for cancer, such as CAR-T, TCR therapies, and Dendritic cell based therapies: Argos Therapeutics, Inc., Bellicum Pharmaceuticals, Inc., Biovest International, Inc., Bluebird bio, Inc., Celgene Corporation, Cellectis SA, ImmunoCellular Therapeutics, Ltd., Inovio Pharmaceuticals, Inc., Intrexon Corporation, Juno Therapeutics, Inc., Kite Pharma, Inc., NantKwest, Inc., Northwest Biotherapeutics, Inc., Novartis AG, Pfizer and Valeant Pharmaceuticals.

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 convenience of our product candidates.

Intellectual Property

We strive to protect and enhance the proprietary technology, inventions, and improvements that are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. Our policy is to seek to protect our proprietary position by, among other methods, pursuing and obtaining patent protection in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements, platforms and product candidates that are important to the development and implementation of our business. Our patent portfolio is intended to cover, but is not limited to, our technology platforms, our product candidates and components thereof, their methods of use and processes for their manufacture, our proprietary reagents and assays, and any other inventions that are commercially important to our business. We also rely on trade secret protection of our confidential information and know-how relating to our proprietary technology, platforms and product candidates, continuing innovation, and in-licensing opportunities to develop, strengthen, and maintain our proprietary position in our Probody platform and product candidates. We expect to rely on data exclusivity, market exclusivity, patent term adjustment and patent term extensions when available. Our commercial success may depend in part on our ability to obtain and maintain patent and other proprietary protection for our technology, inventions, and improvements; to preserve the confidentiality of our trade secrets; to maintain our licenses to use intellectual property owned or controlled by third parties; to defend and enforce our proprietary rights, including our patents; to defend against and challenge the assertion by third parties of their purported intellectual property rights; and to operate without the unauthorized infringement on the valid and enforceable patents and other proprietary rights of third parties.

We believe that we have a strong global intellectual property position and substantial know-how and trade secrets relating to our Probody technology, platform and product candidates. Our patent portfolio as of September 10, 2015 contains six United States ("U.S.") issued patents owned solely by CytomX and three U.S. issued patents that we co-own with UCSB. We also have 27 U.S. pending applications as well as 73 non-U.S. pending applications owned solely by CytomX, as well as one U.S. pending application and six non-U.S. pending applications that we co-own with UCSB. We have exclusively licensed UCSB's rights in the co-owned issued and pending patents. We also co-own one U.S. pending application with the University of California, San Francisco ("UCSF"). These patents and patent applications include claims directed to:

- Probody platform and PDC platform;
- Other pro-protein platforms;
- Probody conjugates and conjugation methods to produce PDCs;
- Bispecific and other multispecific Probody therapeutics, including T-cell-recruiting bispecific Probody therapeutics;
- Protease-cleavable linkers, e.g., serine protease- or MMP-cleavable linkers;
- Improved display systems for peptide display, e.g., to identify masks, substrates, and other proteins;
- Cancer immunotherapy Probody therapeutics, e.g., PD-L1, PD-1, and CTLA-4 Probody therapeutics, as well as related novel antibodies and combination therapies;

- PDCs, e.g., CD-166, CD-71 (transferrin receptor), and CD49c (integrin alpha 3) PDCs, as well as related Probody therapeutics, novel antibodies and ADCs;
- Probody therapeutics to other targets, e.g., EGFR, Jagged, and IL6R Probody therapeutics, as well as related PDCs, novel antibodies and ADCs;
- Antibodies that bind Probody therapeutics, e.g., anti-mask and anti-Probody antibodies; and
- Antibodies that bind the active site of uPA protease.

In addition, we have exclusively licensed the following patent portfolio from UCSB: eight U.S. issued patents; five non-U.S. issued patents; four U.S. pending applications; and four non-U.S. pending applications. This patent portfolio covers compositions and methods related to screening and identification of masks and protease-cleavable linkers that we incorporate into our Probody therapeutics.

As for the Probody platform, product candidates and processes we develop and commercialize, in the normal course of business, we intend to pursue, where appropriate, patent protection or trade secret protection relating to compositions, methods of manufacture, assay methods, methods of use, treatment of indications, dosing and formulations. We may also pursue patent protection with respect to product development processes and technology.

We continually assess and refine our intellectual property strategy as we develop new platform technologies and product candidates. To that end, we are prepared to file additional patent applications if our intellectual property strategy requires such filings, or where we seek to adapt to competition or seize business opportunities. Further, we are prepared to file patent applications, as we consider appropriate under the circumstances, relating to the new technologies that we develop. In addition to filing and prosecuting patent applications in the United States, we often file counterpart patent applications in the European Union and in additional countries where we believe such foreign filing is likely to be beneficial, including but not limited to any or all of Australia, Brazil, Canada, China, Hong Kong, India, Israel, Japan, Mexico, New Zealand, Russia, South Africa and South Korea.

The term of individual patents depends upon the laws of the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. However, the term of United States patents may be extended due to delays incurred due to compliance with FDA or by delays encountered during prosecution that are caused by the USPTO. For example, the Hatch-Waxman Act permits a patent term extension for FDA-approved drugs of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only one patent applicable to an approved drug may be extended. Similar provisions are available in Europe and other jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our biopharmaceutical product candidates receive FDA approval, we expect to apply for patent term extensions on patents covering those product candidates. We intend to seek patent term extensions to any of our issued patents in any jurisdiction where these are available; however there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions. Our currently issued patents will likely expire on dates ranging from 2028 to 2030, unless we receive patent term extension or adjustment. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2028 to 2036, unless we receive patent term extension or adjustment. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of immunotherapy has emerged in the U.S. The patent situation outside of the United States is even more uncertain. Changes in the patent laws and rules, either by legislation, judicial decisions, or regulatory interpretation in the U.S. and other countries may diminish our ability to protect our inventions and enforce our intellectual property rights, and more generally could affect the value of our intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell, or importing any of our patented inventions, either directly or indirectly, will depend in part on our success in obtaining, defending, and enforcing patent claims that cover our technology, inventions, and improvements. With respect to both licensed and company-owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any of our existing patents or any patents that may be granted to us in the future will be commercially useful in protecting our platforms and product candidates and the methods used to manufacture those platforms and product candidates. Moreover, even our issued patents do not guarantee us the right to practice our technology in relation to the commercialization of our platforms product candidates. However, the area of patent and other intellectual property rights in biotechnology is an evolving one with many risks and uncertainties, and third parties may have blocking patents that could be used to prevent us from commercializing our patented Probody technology, platforms and product candidates and practicing our proprietary technology. Our issued patents and those that may issue in the future may be challenged, invalidated, or circumvented, which could limit our ability to stop competitors from marketing related platforms or product candidates or limit the length of the term of patent protection that we may have for our Probody technology, platforms, and product candidates. In addition, the rights granted under any issued patents may not provide us with protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies. For these reasons, we may have competition for our Probody technology, platforms and product candidates. Moreover, because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any particular product candidate can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of the patent. For this and more comprehensive risks related to our proprietary technology, inventions, improvements, platforms and product candidates, please see the section entitled “Risk Factors—Risks Related to Intellectual Property.”

We intend to file applications for trademark registrations in connection with our product candidates in various jurisdictions, including the U.S. The USPTO previously accepted the PROBODY mark under an intent-to-use trademark application. Because we were unable to show use for that mark within three years of acceptance, the mark became abandoned. We have re-filed for trademark protection of the PROBODY mark with the USPTO. We also have filed for trademark protection of the IHZ mark with the USPTO.

We also rely on trade secret protection for our confidential and proprietary information. Although we take steps to protect our confidential and proprietary information as trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual during the course of the individual’s relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. In many cases our confidentiality and other agreements with consultants, outside scientific collaborators, sponsored researchers and other advisors require them to assign or grant us licenses to inventions they invent as a result the work or services they render under such agreements or grant us an option to negotiate a license to use such inventions.

We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. Although we have confidence in these individuals, organizations, and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. To the extent that our employees, contractors, consultants, collaborators, and advisors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

In-Licenses

License from UCSB

In August 2010, we entered into an agreement with UC, acting through its Santa Barbara Campus, that grants us an exclusive license, with the right to sublicense, under the patent rights owned by UC covering mask and screening technologies in the field of identification and discovery of pro-protein biologics, including masks and substrates, for the identification of pro-proteins. The agreement also grants us an exclusive license, with the right to sublicense, under the patent rights co-owned by UC with us covering Probody antibodies and other pro-proteins in the fields of therapeutics, diagnostics, in vivo imaging and prophylactics.

We had no upfront payment obligations under the agreement. We are required to make milestone payments to UC on the accomplishment of certain regulatory milestones, including a $300,000 payment due upon the first patient enrollment in the first Phase 3 clinical trial and a $500,000 payment due upon approval of the first NDA by the FDA for each of the first two indications for each licensed product consisting of a molecule or compound covered by the licensed patent rights. We have paid minimum annual royalties in increasing amounts to UC since 2011 in the aggregate amount of $405,000, and will pay annual minimum royalties of $150,000 beginning in 2016 and continuing for the term of the agreement. In addition, the agreement provides that we are required to pay to UC running royalties on net sales in the low single-digits. The agreement with UC requires us to meet specified due diligence product development milestones. We did not meet the milestones in 2013, 2014 and 2015, and we paid an extension fee of $25,000 for 2013 and $50,000 for each of 2014 and 2015 to maintain the license.

Government Regulation and Product Approval

Governmental authorities in the U.S., at the federal, state and local level, and other countries extensively regulate, among other things, the research, development, testing, manufacture, labeling, packaging, promotion, storage, advertising, distribution, marketing and export and import of products such as those we are developing. Our therapeutic candidates must be approved by the FDA through the NDA or BLA process before they may be legally marketed in the U.S. and will be subject to similar requirements in other countries prior to marketing in those countries. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. Government Regulation

In the U.S., the FDA regulates drugs under the FDCA and, in the case of therapeutic biologics, the Public Health Services Act (“PHSA”), and implementing regulations. Failure to comply with the applicable U.S. requirements at any time during the product development or approval process, or after approval, may subject an applicant to administrative or judicial sanctions, any of which could have a material adverse effect on us. These sanctions could include:

- refusal to approve pending applications;
- withdrawal of an approval;
- imposition of a clinical hold;

- warning or untitled letters;
- seizures or administrative detention of product;
- total or partial suspension of production or distribution; or
- injunctions, fines, disgorgement, or civil or criminal penalties.

NDA and BLA approval processes

The process required by the FDA before a therapeutic may be marketed in the U.S. generally involves the following:

- completion of nonclinical laboratory tests, animal studies and formulation studies conducted according to GLPs, and other applicable regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to GCPs, to establish the safety and efficacy of the product candidate for its intended use;
- submission to the FDA of an NDA or BLA;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product candidate is produced to assess readiness for commercial manufacturing and conformance to the manufacturing-related elements of the application, to conduct a data integrity audit, and to assess compliance with cGMPs to assure that the facilities, methods and controls are adequate to preserve the product candidate's identity, strength, quality and purity; and
- FDA review and approval of the NDA or BLA.

Once a biopharmaceutical candidate is identified for development, it enters the preclinical or nonclinical testing stage. Nonclinical tests include laboratory evaluations of product chemistry, toxicity and formulation, as well as animal studies. An IND sponsor must submit the results of the nonclinical tests, together with manufacturing information and analytical data, to the FDA as part of the IND. Some nonclinical testing may continue even after the IND is submitted. In addition to including the results of the nonclinical studies, the IND will also include a protocol detailing, among other things, the objectives of the clinical trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the first phase lends itself to an efficacy determination. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, places the IND on clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. A clinical hold may occur at any time during the life of an IND and may affect one or more specific studies or all studies conducted under the IND.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCPs. They must be conducted under protocols detailing the objectives of the trial, dosing procedures, research subject selection and exclusion criteria and the safety and effectiveness criteria to be evaluated. Each protocol, and any subsequent material amendment to the protocol, must be submitted to the FDA as part of the IND, and progress reports detailing the status of the clinical trials must be submitted to the FDA annually. Sponsors also must report to the FDA serious and unexpected adverse reactions in a timely manner, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigation brochure or any findings from other studies or animal or *in vitro* testing that suggest a significant

risk in humans exposed to the product candidate. An institutional review board ("IRB") at each institution participating in the clinical trial must review and approve the protocol before a clinical trial commences at that institution and must also approve the information regarding the trial and the consent form that must be provided to each research subject or the subject's legal representative, monitor the study until completed and otherwise comply with IRB regulations. There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined.

- Phase 1—The product candidate is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and elimination. In the case of some therapeutic candidates for severe or life-threatening diseases, such as cancer, especially when the product candidate may be inherently too toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.

- Phase 2—Clinical trials are performed on a limited patient population intended to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.

- Phase 3—Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to establish the overall risk-benefit ratio of the product and provide an adequate basis for product labeling.

A pivotal study is a clinical study that adequately meets regulatory agency requirements for the evaluation of a product candidate's efficacy and safety such that it can be used to justify the approval of the product. Generally, pivotal studies are also Phase 3 studies but may be Phase 2 studies if the trial design provides a reliable assessment of clinical benefit, particularly in situations where there is an unmet medical need. Human clinical trials are inherently uncertain and Phase 1, Phase 2 and Phase 3 testing may not be successfully completed. The FDA or the sponsor may suspend a clinical trial at any time for a variety of reasons, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

During the development of a new product candidate, sponsors are given opportunities to meet with the FDA at certain points; specifically, prior to the submission of an IND, at the end of Phase 2 and before a BLA or NDA is submitted. Meetings at other times may be requested. These meetings can provide an opportunity for the sponsor to share information about the data gathered to date and for the FDA to provide advice on the next phase of development. Sponsors typically use the meeting at the end of Phase 2 to discuss their Phase 2 clinical results and present their plans for the pivotal Phase 3 clinical trial that they believe will support the approval of the new therapeutic. If a Phase 3 clinical trial is the subject of discussion at the end of Phase 2 meeting with the FDA, a sponsor may be able to request a Special Protocol Assessment ("SPA"), the purpose of which is to reach agreement with the FDA on the Phase 3 clinical trial protocol design and analysis that will form the primary basis of an efficacy claim.

Post-approval trials, sometimes referred to as "Phase 4" clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication. In certain instances, FDA may mandate the performance of such "Phase 4" clinical trials.

According to published guidance on the SPA process, a sponsor that meets the prerequisites may make a specific request for a SPA and provide information regarding the design and size of the proposed clinical trial. The

FDA is supposed to evaluate the protocol within 45 days of the request to assess whether the proposed trial is adequate, which evaluation may result in discussions and a request for additional information. A SPA request must be made before the proposed trial begins, and all open issues must be resolved before the trial begins. Although the FDA will assess protocols that have already begun, these assessments will not be subject to the 45-day review applicable to SPAs. If a written agreement is reached, it will be documented and made part of the record. The agreement will be binding on the FDA and may not be changed by the sponsor or the FDA after the trial begins except with the written agreement of the sponsor and the FDA or if the FDA determines that a substantial scientific issue essential to determining the safety or efficacy of the product candidate was identified after the testing began.

Concurrent with clinical trials, sponsors usually complete additional animal safety studies, develop additional information about the chemistry and physical characteristics of the product candidate and finalize a process for manufacturing commercial quantities of the product candidate in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and the manufacturer must develop methods for testing the quality, purity and potency of the product candidate. To help reduce the risk of the introduction of adventitious agents with use of biological products, the PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other criteria, the sponsor must develop methods for testing the identity, strength, quality, potency and purity of the final biological product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the biological product candidate does not undergo unacceptable deterioration over its shelf life. Additionally, for both NDA and BLA products, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its proposed shelf-life.

The results of product development, nonclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests and other control mechanisms, proposed labeling and other relevant information are submitted to the FDA as part of an NDA or BLA requesting approval to market the product. Under the Prescription Drug User Fee Act (“PDUFA”) as amended, each BLA or NDA must be accompanied by a significant user fee. The FDA adjusts the PDUFA user fees on an annual basis. PDUFA also imposes an annual product fee for products and an annual establishment fee on facilities used to manufacture prescription biological or drug products. Fee waivers or reductions are available in certain circumstances, such as where a waiver is necessary to protect the public health, where the fee would present a significant barrier to innovation, or where the applicant is a small business submitting its first human therapeutic application for review.

Within 60 days following submission of the application, the FDA reviews a BLA or NDA submitted to determine if it is substantially complete before the agency accepts it for filing. The FDA may refuse to file any BLA or NDA that it deems incomplete or not properly reviewable at the time of submission, and may request additional information. In this event, the BLA or NDA must be resubmitted with the additional information. The resubmitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the BLA or NDA. The FDA reviews the BLA to determine, among other things, whether the proposed product is safe, potent, and/or effective for its intended use, and has an acceptable purity profile, and in the case of an NDA, whether the product is safe and effective for its intended use, and in each case, whether the product is being manufactured in accordance with cGMP. The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

During the product approval process, the FDA also will determine whether a REMS plan is necessary to assure the safe use of the product. If the FDA concludes a REMS plan is needed, the sponsor of the BLA or NDA must submit a proposed REMS plan. The FDA will not approve a BLA or NDA without a REMS plan, if

required. The FDA has authority to require a REMS plan under the Food and Drug Administration Amendments Act of 2007 (the "FDAAA") when necessary to ensure that the benefits of a drug or therapeutic biologic outweigh the risks. In determining whether a REMS plan is necessary, the FDA must consider the size of the population likely to use the drug or therapeutic biologic, the seriousness of the disease or condition to be treated, the expected benefit of the drug or therapeutic biologic, the duration of treatment, the seriousness of known or potential adverse events, and whether the drug or therapeutic biologic is a new molecular entity. A REMS plan may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate health care providers of the risks, limitations on who may prescribe or dispense the drug or therapeutic biologic, or other measures that the FDA deems necessary to assure the safe use of the drug or therapeutic biologic. In addition, the REMS plan must include a timetable to assess the strategy at 18 months, three years, and seven years after the strategy's approval.

The FDA may also require a REMS plan for a drug or therapeutic biologic that is already on the market if it determines, based on new safety information, that a REMS plan is necessary to ensure that the product's benefits outweigh its risks.

Before approving a BLA or NDA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA or NDA, the FDA will typically inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND trial requirements and GCP requirements. To assure cGMP and GCP compliance, an applicant must incur significant expenditure of time, money and effort in the areas of training, record keeping, production and quality control.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the BLA or NDA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than we interpret the same data. If the agency decides not to approve the BLA or NDA in its present form, the FDA will issue a complete response letter that describes all of the specific deficiencies in the BLA or NDA identified by the FDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA or NDA, addressing all of the deficiencies identified in the letter, or withdraw the application.

Even if a product receives regulatory approval, the approval may be significantly limited to specific indications and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval. In addition, the FDA may require post marketing clinical trials, sometimes referred to as "Phase 4" clinical trials, designed to further assess a biological product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Companion Diagnostics

The FDA issued a final guidance document in July 2014 addressing agency policy in relation to in vitro companion diagnostic tests. The guidance explains that for some drugs and therapeutic biologics, the use of a companion diagnostic test is essential for the safe and effective use of the product, such as when the use of a product is limited to a specific patient subpopulation that can be identified by using the test. According to the guidance, FDA generally will not approve such a product if the companion diagnostic is not also approved or cleared for the appropriate indication, and accordingly the therapeutic product and the companion diagnostic should be developed

and approved or cleared contemporaneously. However, the FDA may decide that it is appropriate to approve such a product without an approved or cleared in vitro companion diagnostic device when the drug or therapeutic biologic is intended to treat a serious or life-threatening condition for which no satisfactory alternative treatment exists and the FDA determines that the benefits from the use of product with an unapproved or uncleared in vitro companion diagnostic device are so pronounced as to outweigh the risks from the lack of an approved or cleared in vitro companion diagnostic device. The FDA encourages sponsors considering developing a therapeutic product that requires a companion diagnostic to request a meeting with both relevant device and therapeutic product review divisions to ensure that the product development plan will product sufficient data to establish the safety and effectiveness of both the therapeutic product and the companion diagnostic. Because the FDA's policy on companion diagnostics is set forth only in guidance, this policy is subject to change and is not legally binding.

Expedited Review and Approval

The FDA has various programs, including Fast Track, priority review, accelerated approval and breakthrough therapy designation, which are intended to expedite or simplify the process for reviewing therapeutic candidates, or provide for the approval of a product candidate on the basis of a surrogate endpoint. Even if a product candidate qualifies for one or more of these programs, the FDA may later decide that the product candidate no longer meets the conditions for qualification or that the time period for FDA review or approval will be lengthened. Generally, therapeutic candidates that are eligible for these programs are those for serious or life-threatening conditions, those with the potential to address unmet medical needs and those that offer meaningful benefits over existing treatments. For example, Fast Track is a process designed to facilitate the development and expedite the review of therapeutic candidates to treat serious or life-threatening diseases or conditions and fill unmet medical needs. Priority review is designed to give therapeutic candidates that offer major advances in treatment or provide a treatment where no adequate therapy exists an initial review within eight months as compared to a standard review time of twelve months.

Although Fast Track and priority review do not affect the standards for approval, the FDA will attempt to facilitate early and frequent meetings with a sponsor of a Fast Track designated product candidate and expedite review of the application for a product candidate designated for priority review. Accelerated approval, which is described in Subpart H of 21 CFR Part 314, provides for an earlier approval for a new product candidate that is (1) intended to treat a serious or life-threatening disease or condition; (2) generally provides a meaningful advantage over available therapies; and (3) demonstrates an effect on 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 ("IMM") and is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. A surrogate endpoint is a laboratory measurement or physical sign used as an indirect or substitute measurement representing a clinically meaningful outcome. As a condition of approval, the FDA may require that a sponsor of a product candidate receiving accelerated approval perform post-marketing studies to verify and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and the product may be subject to accelerated withdrawal procedures.

In the Food and Drug Administration Safety and Innovation Act (the "FDASIA"), which was signed into law in July 2012, the U.S. Congress encouraged the FDA to utilize innovative and flexible approaches to the assessment of therapeutic candidates under accelerated approval. The law required the FDA to issue related guidance and also promulgate confirming regulatory changes. In May 2014, the FDA published a final Guidance for Industry titled "Expedited Programs for Serious Conditions—Drugs and Biologics," which provides guidance on FDA programs that are intended to facilitate and expedite development and review of new therapeutic candidates as well as threshold criteria generally applicable to concluding that a product candidate is a candidate for these expedited development and review programs.

In addition to the Fast Track, accelerated approval and priority review programs discussed above, the FDA's "Expedited Programs" guidance also describes the Breakthrough Therapy designation. The FDA defines a

Breakthrough Therapy as a therapeutic that is intended, alone or in combination with one or more other therapeutics, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the therapeutic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A therapeutic designated as a Breakthrough Therapy is eligible for accelerated approval. The FDA must take certain actions, such as holding timely meetings and providing advice, intended to expedite the development and review of an application for approval of a Breakthrough Therapy. Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. A request for Breakthrough Therapy designation should be submitted concurrently with, or as an amendment to, an IND, but ideally no later than the end of Phase 2 meeting.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our therapeutic candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product candidate's approval date. The patent term restoration period is generally one half of the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved product candidate is eligible for the extension and the application for extension must be made prior to expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restorations of patent term for some of our currently owned or licensed patents to add patent life beyond their current expiration date, depending on the expected length of clinical trials and other factors involved in the submission of the relevant NDA.

Market exclusivity provisions under the FDCA also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the U.S. to the first applicant to gain approval of an NDA for a new chemical entity. A product candidate is a new chemical entity if the FDA has not previously approved any other new product candidate containing the same active moiety, which is the molecule or ion responsible for the action of the product candidate substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application (an "ANDA"), or a 505(b)(2) NDA submitted by another company for another version of such product candidate where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement of one of the patents listed with the FDA by the innovator NDA holder. The FDCA also provides three years of marketing exclusivity for an NDA, or supplement to an existing NDA, if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application. Examples of such new clinical investigations include those with respect to new indications, dosages or strengths of an existing product candidate. This three-year exclusivity covers only the modification for which the product received approval on the basis of the new clinical investigations and does not prohibit the FDA from approving ANDAs for product candidates containing the active agent for the original indication or condition of use. Five-year exclusivity will not delay the submission or approval of another company's full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

The Biologics Price Competition and Innovation Act (the "BPCIA") amended the PHSA to authorize the FDA to approve similar versions of innovative biologics, commonly known as biosimilars. A competitor

seeking approval of a biosimilar must file an application to establish its molecule as highly similar to an approved innovator biologic, among other requirements. The BPCIA, however, bars the FDA from approving biosimilar applications for 12 years after an innovator biological product receives initial marketing approval.

Orphan Drug Designation

Under the Orphan Drug Act, the FDA may grant Orphan Drug Designation to therapeutic candidates intended to treat a rare disease or condition, which is generally a disease or condition that affects either (1) fewer than 200,000 individuals in the U.S., or (2) or more than 200,000 individuals in the U.S. and for which there is no reasonable expectation that the cost of developing and making available in the U.S. a product candidate for this type of disease or condition will be recovered from sales in the U.S. for that product candidate. Orphan Drug Designation must be requested before submitting an NDA. After the FDA grants Orphan Drug Designation, the identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan Drug Designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.

If a product candidate that has Orphan Drug Designation subsequently receives the first FDA approval for the disease for which it has such designation, the product candidate is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications to market the same product candidate for the same indication, except under limited circumstances, for seven years. Orphan drug exclusivity, however, could also block the approval of one of our therapeutic candidates for seven years if a competitor obtains approval of the same product candidate as defined by the FDA or if our product candidate is determined to be contained within the competitor's product candidate for the same indication or disease.

Pediatric Exclusivity and Pediatric Use

Under the Best Pharmaceuticals for Children Act (the "BPCA"), certain therapeutic candidates may obtain an additional six months of exclusivity if the sponsor submits information requested in writing by the FDA, referred to as a Written Request, relating to the use of the active moiety of the product candidate in children. Although the FDA may issue a Written Request for studies on either approved or unapproved indications, it may only do so where it determines that information relating to that use of a product candidate in a pediatric population, or part of the pediatric population, may produce health benefits in that population.

In addition, the Pediatric Research Equity Act ("PREA"), requires a sponsor to conduct pediatric studies for most therapeutic candidates and biologics, for a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration. Under PREA, original NDAs, BLAs and supplements thereto must contain a pediatric assessment unless the sponsor has received a deferral or waiver. The required assessment must assess the safety and effectiveness of the product candidate for the claimed indications in all relevant pediatric subpopulations and support dosing and administration for each pediatric subpopulation for which the product candidate is safe and effective. The sponsor or FDA may request a deferral of pediatric studies for some or all of the pediatric subpopulations. A deferral may be granted for several reasons, including a finding that the product candidate or biologic is ready for approval for use in adults before pediatric studies are complete or that additional safety or effectiveness data needs to be collected before the pediatric studies begin. The law requires the FDA to send a PREA Non-Compliance letter to sponsors who have failed to submit their pediatric assessments required under PREA, have failed to seek or obtain a deferral or deferral extension or have failed to request approval for a required pediatric formulation. It further requires the FDA to post the PREA Non-Compliance letter and sponsor's response.

As part of the FDASIA, the U.S. Congress made a few revisions to the BPCA and PREA, which were slated to expire on September 30, 2012, and made both laws permanent.

Post-Approval Requirements

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements is not maintained or if problems occur after the product candidate reaches the market. Later discovery of previously unknown problems with a product candidate may result in restrictions on the product candidate or even complete withdrawal of the product candidate from the market. After approval, some types of changes to the approved product candidate, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further FDA review and approval. In addition, the FDA may under some circumstances require testing and surveillance programs to monitor the effect of approved therapeutic candidates that have been commercialized, and the FDA under some circumstances has the power to prevent or limit further marketing of a product candidate based on the results of these post-marketing programs.

Any therapeutic candidates manufactured or distributed by us pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things:

- record-keeping requirements;
- reporting of adverse experiences with the product candidate;
- providing the FDA with updated safety and efficacy information;
- product sampling and distribution requirements;
- notifying the FDA and gaining its approval of specified manufacturing or labeling changes; and
- complying with FDA promotion and advertising requirements, which include, among other things, standards for direct-to-consumer advertising, restrictions on promoting products for uses or in patient populations that are not described in the product's approved labeling, limitations on industry-sponsored scientific and educational activities and requirements for promotional activities involving the internet.

Therapeutic manufacturers and other entities involved in the manufacture and distribution of approved therapeutic products are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and some state agencies for compliance with cGMPs and other laws. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes extensive procedural, substantive and record-keeping requirements. In addition, changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations would also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon us and any third-party manufacturers that we may decide to use if our product candidates are approved. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

New Legislation and Regulations

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the testing, approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further legislative changes will be enacted or whether FDA regulations, guidance, policies or interpretations changed or what the effect of such changes, if any, may be.

Regulation Outside of the U.S.

In addition to regulations in the U.S., we will be subject to regulations of other jurisdictions governing any clinical trials and commercial sales and distribution of our therapeutic candidates. Whether or not we obtain FDA approval for a product, we must obtain approval by the comparable regulatory authorities of countries outside of the U.S. before we can commence clinical trials in such countries and approval of the regulators of such countries or economic areas, such as the European Union, before we may market products in those countries or areas. The approval process and requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from place to place, and the time may be longer or shorter than that required for FDA approval.

Under European Union regulatory systems, a company can consider applying for marketing authorization in several European Union member states by submitting its marketing authorization application(s) under a centralized, decentralized or mutual recognition procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The centralized procedure is compulsory for medicines derived from biotechnology, orphan medicinal products, or those medicines with an active substance not authorized in the European Union on or before May 20, 2004 intended to treat acquired immune deficiency syndrome (“AIDS”), cancer, neurodegenerative disorders or diabetes and optional for those medicines containing a new active substance not authorized in the European Union on or before May 20, 2004, medicines which are highly innovative, or medicines to which the granting of a marketing authorization under the centralized procedure would be in the interest of patients at the European Union-level.. The decentralized procedure provides for recognition by European Union national authorities of a first assessment performed by one member state. Under this procedure, an identical application for marketing authorization is submitted simultaneously to the national authorities of several European Union member states, one of them being chosen as the “Reference Member State”, and the remaining being the “Concerned Member States”. The Reference Member State must prepare and send drafts of an assessment report, summary of product characteristics and the labelling and package leaflet within 120 days after receipt of a valid marketing authorization application to the Concerned Member States, which must decide within 90 days whether to recognize approval. If any Concerned Member State does not recognize the marketing authorization on the grounds of potential serious risk to public health, the disputed points are eventually referred to the European Commission, whose decision is binding on all member states. The mutual recognition procedure is similar to the decentralized procedure except that a medicine must have already received a marketing authorization in at least one member state, and that member state acts as the Reference Member State.

As in the U.S., we may apply for designation of a product candidate as an orphan drug for the treatment of a specific indication in the European Union before the application for marketing authorization is made. Orphan drugs in the European Union enjoy economic and marketing benefits, including up to ten years of market exclusivity for the approved indication unless another applicant can show that its product is safer, more effective or otherwise clinically superior to the orphan-designated product, the marketing authorization holder is unable to supply sufficient quantity of the medicinal product or the marketing authorization holder has given its consent.

Coverage and Reimbursement

Sales of our products will depend, in part, on the extent to which our products will be covered by third-party payors, such as government health programs, commercial insurance and managed healthcare organizations. These third-party payors are increasingly reducing reimbursements for medical products and services. Additionally, the containment of healthcare costs has become a priority of federal and state governments and the prices of therapeutics have been a focus in this effort. The U.S. government, state legislatures and foreign 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 our net revenue and results. If these third-party payors do not consider our products to be cost-effective compared to other therapies, they may not cover our products after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products on a profitable basis.

In the United States, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "MMA") expanded Medicare coverage of outpatient drug purchases by individuals who are covered by Medicare Part D and introduced a new reimbursement methodology based on average sales prices for Medicare Part B physician-administered drugs, including drugs currently on the market used by physicians to treat the anticipated clinical indications for our product candidates, if approved. More recently, under the terms of the Budget Control Act of 2011, an automatic 2% reduction of Medicare program payments for all healthcare providers became generally effective for services provided on or after April 1, 2013. This automatic reduction is known as "sequestration." Medicare generally reimburses physicians for Part B drugs at the rate of average sales price ("ASP") plus 6%. The implementation of sequestration pursuant to the Budget Control Act of 2011 has effectively reduced reimbursement below the ASP plus 6% level for the duration of sequestration (which lasts through fiscal 2024 in the absence of additional legislation). Additionally, concerns held by federal policymakers about the federal deficit and national debt levels could result in enactment of further federal spending reductions, further entitlement reform legislation affecting the Medicare program, or both. We cannot predict what alternative or additional deficit reduction initiatives or Medicare payment reductions, if any, will ultimately be enacted into law, or the timing or effect any such initiatives or reductions will have on us. Moreover, while the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. These cost reduction initiatives and other provisions could decrease the coverage and reimbursement that we receive for any approved products.

The American Recovery and Reinvestment Act of 2009 provides funding for the federal government to compare the effectiveness of different treatments for the same illness. The plan for the research was published in 2012 by the Department of Health and Human Services, the Agency for Healthcare Research and Quality and the National Institutes for Health, and periodic reports on the status of the research and related expenditures will be made to the U.S. Congress. Although the results of the comparative effectiveness studies are not intended to mandate coverage policies for public or private payors, it is not clear what effect, if any, the research will have on the sales of our product candidates, if any such product or the condition that it is intended to treat is the subject of a study. It is also possible that comparative effectiveness research demonstrating benefits in a competitor's product could adversely affect the sales of our product candidates. If third-party payors do not consider our products to be cost-effective compared to other available therapies, they may not cover our products after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow us to sell our products on a profitable basis.

The ACA has had a significant impact on the health care industry. The ACA expanded coverage for the uninsured while at the same time containing overall healthcare costs. With regard to biopharmaceutical products, the ACA, among other things, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required

goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, started in April 2013, and, due to subsequent legislative amendments, will stay in effect through 2024 unless additional Congressional action is taken. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012 (the "ATRA") which among other things, also reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. We expect that additional federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare drugs and services, and in turn could significantly reduce the projected value of certain development projects and reduce our profitability.

Finally, in some foreign countries, the proposed pricing for a product candidate must be approved before it may be lawfully marketed. The requirements governing therapeutic pricing vary widely from country to country. For example, the European Union provides options for its member states to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. A member state may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the Company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, therapeutic candidates launched in the European Union do not follow price structures of the U.S. and generally tend to be significantly lower.

Other Healthcare Laws

We may also be subject to healthcare regulation and enforcement by the federal government and the states and foreign governments where we may market our product candidates, if approved. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security and physician sunshine laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. The Anti-Kickback Statute is subject to evolving interpretations. In the past, the government has enforced the Anti-Kickback Statute to reach large settlements with healthcare companies based on sham consulting and other financial arrangements with physicians. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act. The majority of states also have anti-kickback laws, which establish similar prohibitions and in some cases may apply to items or services reimbursed by any third-party payor, including commercial insurers.

Additionally, the civil False Claims Act prohibits knowingly presenting or causing the presentation of a false, fictitious or fraudulent claim for payment to the U.S. government. Actions under the False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Violations of the False Claims Act can result in very significant monetary penalties and treble damages. The federal government is using the False Claims Act, and the accompanying threat of significant liability, in its investigation and prosecution of pharmaceutical and biotechnology companies throughout the U.S., for example, in connection with the promotion of products for unapproved uses and other sales and marketing practices. The government has obtained multi-million and multi-billion dollar settlements under the False Claims Act in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

HIPAA, also created new federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

There has also been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The ACA, among other things, imposes new reporting requirements on drug manufacturers for payments made by them to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Failure to submit required information may result in civil monetary penalties of up to an aggregate of $150,000 per year (or up to an aggregate of $1 million per year for "knowing failures"), for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission. Certain states also mandate implementation of compliance programs, impose restrictions on drug manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians.

We may also be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology and Clinical Health Act ("HITECH") and their respective implementing regulations, including the final omnibus rule published on January 25, 2013, imposes specified requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," defined as independent contractors or agents of covered entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HITECH also increased the civil and criminal penalties that may be imposed against covered entities, business associates and possibly other persons, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways, thus complicating compliance efforts.

Environment

Our third-party manufacturers are subject to inspections by the FDA for compliance with cGMP and other U.S. regulatory requirements, including U.S. federal, state and local regulations regarding environmental protection and hazardous and controlled substance controls, among others. Environmental laws and regulations are complex, change frequently and have tended to become more stringent over time. We have incurred, and may continue to incur, significant expenditures to ensure we are in compliance with these laws and regulations. We would be subject to significant penalties for failure to comply with these laws and regulations.

Collaborations

Pfizer

In May 2013, we entered into a research collaboration, option and license agreement with Pfizer pursuant to which we granted Pfizer an option to select four targets on which to collaborate with us on the preclinical research of PDCs using our Probody technology and Pfizer's ADC technology. Pfizer will provide a specified amount of research funding to us to perform the research by funding certain full-time employee expenses. Pfizer has selected its first three targets, the first of which is EGFR. The selection of the third target

triggered a payment of $1.5 million to us, and, if Pfizer selects a fourth target to include in the collaboration, Pfizer will pay us an additional $1.5 million. Pfizer can exercise the option to obtain a commercial license for each target within three to five years after the target is selected upon making a payment of $2 million to $5 million to us, depending on the target. Pfizer has the responsibility for and control of all development, manufacture and commercialization of any product candidates resulting from the research collaboration.

The commercial license will be a worldwide, exclusive, sublicensable license for development and commercialization of product candidates directed against the selected target. The terms of the license include a total for all targets of approximately $80 million in regulatory milestone payments and $530 million in sales milestone payments as well as tiered royalties ranging from mid-single digits to low-teens on potential future sales. Pfizer's royalty obligation continues on a licensed product-by-licensed product basis until the later of (i) the expiration of the last claim of the licensed patents covering the licensed products in the country or (ii) the tenth anniversary of the first commercial sale of a licensed product in a country, but, in the case of (ii), in no event later than the twentieth anniversary of the earlier of the date of the first commercial sale of the licensed product. If Pfizer obtains a commercial license for a target, it must use commercially reasonable efforts to develop a product in one major market country for that target, including seeking regulatory approval, and to commercialize one licensed product candidate in one major market country where Pfizer has obtained regulatory approval for that target. In addition to the other rights granted to Pfizer, we agreed not to engage in, license or collaborate on any Probody therapeutics or PDCs targeting a target for which Pfizer exercised its option for the term of the agreement, except that, for the first target, the exclusivity applies only to the PDC.

The agreement with Pfizer will continue in effect until the expiration of the royalty obligation on a licensed product-by-licensed product and country-by-country basis until the expiration of Pfizer's royalty obligations. Pfizer may terminate the agreement as a whole or on a target-by-target basis by providing 60 days' advance written notice to us for any reason or no reason at any time after May 30, 2014. Pfizer may also terminate the agreement in the event of our insolvency. Either party may terminate the agreement upon the other party's uncured material breach that is not cured within 90 days after the breaching party receives notice of such breach.

ImmunoGen

In January 2014, we entered into a research collaboration agreement with ImmunoGen pursuant to which we agreed to collaborate with ImmunoGen to use our Probody technology and ImmunoGen's ADC cell-killing agents and linkers to produce PDCs for testing. We amended the agreement in April 2015. ImmunoGen was granted the right to select two targets and has selected two targets. We were granted the right to select one target and have selected our target. Each party provides its own antibodies for the collaboration. We use the antibodies to produce Probody therapeutics at our expense, then we provide them to ImmunoGen to conjugate them to ImmunoGen's linkers and cytotoxic compounds at ImmunoGen's expense. Each party does its own animal testing and IND-enabling studies for the Probody therapeutics directed at its chosen target(s). Each party has the option to obtain an exclusive development and commercialization license from the other for its selected target(s). The option can be exercised by a party at any time during the term of the research collaboration except that it generally must be exercised no later than six months after the first dosing of an animal with the party's PDC. No payment is required to exercise the option. Each company retains full development control of PDCs resulting from its target selection and is responsible for preclinical and clinical development, manufacturing and commercialization. The research collaboration will last until January 2018 unless it is terminated by one of the parties earlier due to the material breach or insolvency of the other party. The collaboration will end with respect to a particular target if the option to obtain a commercial license is exercised with respect to that target. We have agreed that, during the term of the collaboration, we will not research, develop or commercialize any PDC directed toward one of ImmunoGen's targets. ImmunoGen has agreed that, during the term of the collaboration, it will not research, develop or commercialize any ADC directed toward our target.

If a party exercises its right to obtain a commercial license, it will receive a worldwide, exclusive, sublicensable license for development and commercialization of products directed against the selected target

under the terms of a separate license agreement, which have already been negotiated. If we exercise our option to obtain a commercial license, we will pay up to $60 million in development and regulatory milestones and up to $100 million in sales milestones to ImmunoGen, as well as tiered mid- to high-single-digit royalties. If ImmunoGen exercises its option(s) to obtain a commercial license, ImmunoGen will pay up to $30 million in development and regulatory milestones and up to $50 million in sales milestones for each target to us, as well as tiered mid-single digit royalties. Each party has development diligence obligations for its commercial license. If the obligations are not met, the party must make annual maintenance fee payments to the other to maintain the license. ImmunoGen's commercial license prohibits us from developing or commercializing or licensing any third party to develop or commercialize any PDC that uses the cytotoxic compounds also used by ImmunoGen and is directed toward ImmunoGen's licensed target. Our commercial license prohibits ImmunoGen from developing or commercializing or licensing any third party to develop or commercialize any PDC that is directed toward our licensed target.

Each party's royalty obligations continue on a licensed product-by-licensed product basis until the later of (i) the expiration of the last claim of the licensed patents covering the licensed products in the country or (ii) the twelfth anniversary of the first commercial sale of a licensed product in a country, but, in the case of (ii), in no event later than the twentieth anniversary of the earlier of the date of the first commercial sale of the licensed product. Each license agreement continues in effect until the expiration of the royalty obligation on a licensed product-by-licensed product and country-by-country basis until the expiration of the royalty obligations. The licensee may terminate the agreement at any time prior to obtaining the first regulatory marketing approval in any country by providing not less than 90 days' prior written notice to the licensor. Either party may terminate a license agreement upon the other party's uncured material breach that is not cured within 90 days after the breaching party receives notice of such breach or in the event of the insolvency of the other party. A licensor may terminate a commercial license if the licensor has terminated the research collaboration due to the material breach of the research collaboration agreement by the licensee.

BMS

In May 2014, we entered into a research collaboration and license agreement with BMS pursuant to which we agreed to collaborate to discover and conduct preclinical development of Probody therapeutics directed against four immune-oncology targets. BMS selected the first two targets upon the signing of the agreement, one of which is CTLA-4, and made a $50 million signing payment to us. BMS may select an additional two targets prior to May 23, 2019 by written notification so long as the target is not an excluded target as defined in the agreement and by paying $10 million to us for the first such target and by paying $15 million to us for the second such target. BMS will provide a specified amount of research funding to us to perform the research by funding certain full-time employee expenses. BMS has the responsibility for and control of all development, manufacture and commercialization of any products resulting from the research collaboration. BMS agreed to use commercially reasonable efforts to develop and obtain regulatory approval for and commercialize at least one product for each target.

We granted BMS exclusive worldwide rights to develop and commercialize the Probody therapeutics we discover. The terms of the agreement provide that BMS will make a total of up to $2 million in preclinical milestone payments for each target, a total of up to $112 million in development and regulatory milestone payments for up to three indications for each target, a total of up to $124 million in milestone payments for the first commercial sale in various territories for up to three indications, and sales milestone payments of up to $60 million for each product. We will also be eligible to receive tiered mid-single digit royalties rising to low double-digit royalties on net sales of each product commercialized by BMS. BMS' royalty obligation continues on a licensed product-by-licensed product basis until the later of (i) the expiration of the last claim of the licensed patents covering the licensed products in the country, (ii) the twelfth anniversary of the first commercial sale of a licensed product in a country, or (iii) the expiration of any applicable regulatory, pediatric, orphan drug or data exclusivity with respect to such product. In addition to paying us milestones and royalties, subject to certain conditions. BMS agreed to purchase shares of our common stock offered in any initial public offering occurring

on or prior to December 31, 2017 at the price per share offered to the public. The purchase of common stock in our initial public offering by BMS is at our discretion in consultation with our lead underwriter. The total amount to be paid by BMS for its purchase of our stock will not be greater than the lower of (i) $10 million and (ii) the amount equal to the share price charged to the public multiplied by the number of shares equal to 4.9% of the outstanding shares of our common stock immediately after our initial public offering.

Under the collaboration and license agreement, we also granted BMS certain exclusivity rights. We agreed that we will not, ourselves or with a third party, research, develop or commercialize any product developed from the research collaboration or on any of the four targets chosen by BMS.

The agreement with BMS will continue in effect on a licensed product-by-licensed product and country-by-country basis until neither party has any obligation to the other under the agreement in such country with respect to such product. BMS may terminate the agreement at will as a whole or on a country-by-country basis at any time after May 23, 2016 or at any time on a target-by-target basis by providing two months' advance written notice to us if no regulatory approval for any product has yet been obtained or otherwise upon four months' advance written notice to us. BMS may also terminate the agreement on a target-by-target basis in the event it determines that the medical benefit to risk ratio of a product is so unfavorable as to be incompatible with the welfare of patients. Either party may terminate the agreement upon the other party's uncured material breach that is not cured within 90 days after the breaching party receives notice of such breach and for the insolvency of the other party.

Employees

As of August 31, 2015, we had 61 total employees, all of whom were full-time employees (including one temporary employee) and 45 of whom were primarily engaged in research and development activities.

Facilities

We currently lease a total of approximately 29,500 square feet (of which we lease approximately 24,500 square feet directly and 5,000 square feet pursuant to a sublease) of office and research and development facilities in South San Francisco, California. Our lease expires in January 2019. We are currently exploring alternatives which would provide us with additional space to accommodate our anticipated growth.

Legal Proceedings

We are not currently a party to any material legal proceedings.

MANAGEMENT

Executive Officers and Directors

The following sets forth information about our executive officers and directors as of September 28, 2015.

NAME	POSITION	AGE
Sean A. McCarthy, D. Phil.	President and Chief Executive Officer, Director	48
Neil Exter(1)(2)	Director	57
Frederick W. Gluck(1)(2)	Director	80
Hoyoung Huh, M.D., Ph.D.(3)	Chairman of the Board	46
Elaine V. Jones, Ph.D.	Director	60
Timothy M. Shannon, M.D.(2)	Director	56
Matthew P. Young(1)	Director	46
Robert C. Goeltz II	Chief Financial Officer	42
W. Michael Kavanaugh, M.D.	Chief Scientific Officer and Head of Research and Non-Clinical Development	59
Rachel W. Humphrey, M.D.	Chief Medical Officer	54
Cynthia J. Ladd	Senior Vice President and General Counsel	60

(1) Member of the audit committee, upon completion of this offering.
(2) Member of the compensation committee, upon completion of this offering.
(3) Member of the nominating governance committee, upon completion of this offering.

The following is information about the experience and attributes of the members of our board of directors and executive officers as of the date of this prospectus.

Sean A. McCarthy, D. Phil., *President and Chief Executive Officer, Director*

Dr. McCarthy has served as a member of our board of directors and our president and chief executive officer since August 2011. Previously, Dr. McCarthy served as our chief business officer from December 2010 to August 2011. From April 2006 to December 2010, he was a transactional partner at Pappas Ventures, a venture capital firm, where he helped drive investments in therapeutic, medical device and molecular diagnostic companies. Prior to Pappas Ventures, Dr. McCarthy was the vice president of business development at SGX Pharmaceuticals, Inc., where he spearheaded a wide range of strategic collaborations with major pharmaceutical companies, and served on the management team that led to the initial public offering of the company in 2006, before the Company's ultimate acquisition by Eli Lilly and Company. Prior to SGX Pharmaceuticals, Inc., Dr. McCarthy was associate director of program management at Millennium Pharmaceuticals, Inc., where he managed therapeutic protein programs and a research team that invented novel genomic techniques for the identification of therapeutic proteins. Dr. McCarthy is an author on multiple peer reviewed scientific publications and patent applications. Dr. McCarthy received his B.Sc. in biochemistry and pharmacology at King's College, University of London, his D. Phil. in cancer biology from St. John's College, University of Oxford and his M.B.A. from the Rady School at the University of California, San Diego. Dr. McCarthy currently serves on the board of directors of the California Life Sciences Association. We believe Dr. McCarthy's experience serving as our chief executive officer, combined with his experience in the biopharmaceutical and the venture capital industries, provide him with the qualifications and skills to serve as a member of our board of directors.

Neil Exter, *Director*

Mr. Exter has served as a member of our board of directors since September 2010. Mr. Exter has been a partner at Third Rock Ventures, a venture capital firm, since November 2007. Prior to joining Third Rock Ventures, Mr. Exter was the chief business officer of Alantos Pharmaceuticals Holding, Inc., leading the sale of the company to Amgen, Inc., and vice president of Millennium Pharmaceuticals, Inc., directing in-licensing and M&A. Earlier in his career, he held various executive management roles within the high technology industry. Mr. Exter currently

serves on the board of directors of REVOLUTION Medicines, Inc., Cibiem, Inc., Element Science, Inc., and Rhythm Pharmaceuticals. Mr. Exter previously served on the board of directors of Lotus Tissue Repair (acquired by Shire plc) and Seventh Sense Biosystems, Inc. Mr. Exter is a member of the board research committee at Children's Hospital Boston and the treasurer and a member of the board of directors of the New England Venture Capital Association. Additionally, Mr. Exter is a member of the Innovation Research Fund at Partners Healthcare and the advisory council of the Electrical and Computer Engineering Department at Cornell University. Mr. Exter received his B.S. from Cornell University, M.S. from Stanford University and M.B.A. as a Baker Scholar from Harvard Business School. We believe Mr. Exter's experience in the venture capital and the biopharmaceutical industries provide him with the qualifications and skills to serve as a member of our board of directors.

Frederick W. Gluck, *Director*

Mr. Gluck has served as a member of our board of directors since September 2010 and was a member of the board of directors of CytomX Therapeutics, LLC until September 2010. Mr. Gluck previously served as a member of the board of directors of Amgen, Inc. from February 1998 to October 2011. He has served as a member and the founding chairman of the board of directors of Cynvenio Biosystems, Inc. and TrueVision Systems Inc. since March 2006. Mr. Gluck served as a consultant to McKinsey & Company, Inc., an international management consulting firm ("McKinsey"), from July 1998 to July 2003. Prior to that, he was Vice Chairman and Director of Bechtel Group, Inc., an engineering, construction and project management company, from 1995 to July 1998. Mr. Gluck is a former managing partner of McKinsey, where he served from 1967 to 1995. Between 1988 and 1994, he was the Managing Director of McKinsey. He also serves as a director of the Foundation Board of the University of California, Santa Barbara, the Kavli Institute of Theoretical Physics and The New York Presbyterian Hospital (Emeritus). Mr. Gluck was the presiding director of the Hospital Corporation of America. Mr. Gluck received his B.S. from Manhattan College and M.S. from New York University in electrical engineering. We believe that Mr. Gluck's experience in the biopharmaceutical industry and his prior tenure as the chief executive officer of our predecessor provide him with the qualifications and skills to serve as a member of our board of directors.

Hoyoung Huh, M.D., Ph.D., *Chairman of the Board of Directors*

Dr. Huh has served as a member of our board of directors since December 2011 and the chairman of our board of directors since February 2012. Dr. Huh has been a member of the board of directors of Geron Corporation since May 2010 and served as its chairman since September 2011. Dr. Huh also is a director of AntriaBio, Inc., a biopharmaceutical company focused on developing novel therapeutic products for the diabetes market. Dr. Huh served as a director of Addex Pharmaceuticals, a pharmaceutical discovery and development company, from May 2011 to May 2014. From February 2008 to December 2011, Dr. Huh was the chairman of the board of directors of BiPar Sciences, Inc. ("BiPar"), a biopharmaceutical company acquired in April 2009 by Sanofi-Aventis, a global pharmaceutical company. Dr. Huh served as BiPar's president and chief executive officer from February 2008 to December 2009. Dr. Huh also served on the board of directors of Facet Biotech, a wholly-owned subsidiary of Abbott Laboratories, a global, broad-based health care company, from September 2009 to April 2010. Dr. Huh was a member of the board of directors of Nektar Therapeutics ("Nektar"), a clinical-stage biopharmaceutical company, from February 2008 to May 2009, and Nektar's chief operating officer and senior vice president of Business Development and Marketing from March 2005 to February 2008. Prior to Nektar, Dr. Huh was a partner at McKinsey, a global management consulting firm, where he was in the biotechnology and biopharmaceutical sectors. Prior to McKinsey, he held positions as a physician and researcher at Cornell University Medical College and Sloan-Kettering Cancer Center. Dr. Huh holds an A.B. in biochemistry from Dartmouth College and an M.D. and Ph.D. in genetics and cell biology from Cornell University Medical College and Sloan-Kettering Institute. We believe that Dr. Huh's experience in the biopharmaceutical industry and service on the boards of directors of other biopharmaceutical companies provides him with the qualifications and skills to serve as a member of our board of directors.

Elaine V. Jones, Ph.D., *Director*

Dr. Jones has served as a member of our board of directors since December 2014. Since December 2008, Dr. Jones has served as Executive Director, Venture Capital of Pfizer Venture Investments, the venture capital arm of Pfizer Inc., a global pharmaceutical company. From 2003 to November 2008, Dr. Jones served as a general partner of Euclid SR Partners, a venture capital firm. From 1999 to 2003, Dr. Jones held various positions at S.R. One, the venture fund of GlaxoSmithKline plc, a global pharmaceuticals company. Dr. Jones holds a B.S. in Biology from Juniata College and a Ph.D. in Microbiology from the University of Pittsburgh. We believe that Dr. Jones's experience as an officer of other biopharmaceutical companies provides her with the qualifications and skills to serve as a member of our board of directors.

Timothy M. Shannon, M.D., *Director*

Dr. Shannon has served as a member of our board of directors since July 2012. Dr. Shannon has been a Venture Partner at Canaan Partners, a venture capital firm, since November 2009 and a General Partner since January 2015. Dr. Shannon currently serves as a member of the boards of Arvinas, Inc. ("Arvinas"), Novira Therapeutics, Inc., Spyryx Biosciences, Inc. ("Spyryx"), VaxInnate Corporation, and Vivace Therapeutics, Inc. From July 2013 to December 2014, Dr. Shannon served as the chief executive officer of Arvinas. From November 2010 to September 2013, he was the chief executive officer of Aldea Pharmaceuticals, Inc. From August 2007 to September 2009, Dr. Shannon was President and Chief Executive Officer of CuraGen Corporation ("CuraGen"), a biopharmaceutical company focused on oncology, after serving as Executive Vice President of research and development and Chief Medical Officer. Prior to CuraGen, he held positions of increasing responsibility for Bayer AG's Pharmaceutical Business Group, including Senior Vice President of Global Medical Development. He currently serves as Chairman of the board of directors of each of Arvinas and Spyryx. He previously served as a member of the board of directors of Civitas Therapeutics, Inc., which was acquired in October 2014 by Acorda Therapeutics, Inc. Until December 2014, he also served as a Director at Celldex Therapeutics, Inc., which acquired CuraGen Corporation in October 2009. Dr. Shannon served as assistant professor of the pulmonary and critical care division at Yale University School of Medicine and as an attending physician in pulmonary and critical care medicine at the West Haven V.A. Medical Center. Dr. Shannon received his post graduate medical training at the Beth Israel Hospital of Harvard Medical School and at Boston University. He earned his M.D. from the University of Connecticut and has a B.A. in chemistry from Amherst College. We believe that Dr. Shannon's experience in the venture capital industry and as an officer of other biopharmaceutical companies provides him with the qualifications and skills to serve as a member of our board of directors.

Matthew P. Young, *Director*

Mr. Young has served as a member of our board of directors since September 2015. Mr. Young has been Executive Vice President and Chief Financial Officer of Jazz Pharmaceuticals plc since February 2015 and previously served as its Senior Vice President and Chief Financial Officer since March 2014 and as its Senior Vice President, Corporate Development since April 2013. Prior to joining Jazz Pharmaceuticals, Mr. Young worked in investment banking for approximately 20 years. From February 2009 to April 2013, Mr. Young served as a managing director in global healthcare of Barclays Capital Inc., an investment banking firm, where his role included acting as the co-head of life sciences at Barclays Capital. From 2007 to 2008, Mr. Young served as a managing director of Citigroup Global Markets Inc., an investment banking firm, and from 2003 to 2007, as a managing director of Lehman Brothers Inc., an investment banking firm. From 1992 to 2003, Mr. Young served in various capacities at other investment banking firms. In 2015, he joined the board of directors of PRA Health Sciences, Inc., a contract research company. Mr. Young received a B.S. in Economics and a M.B.A. from the Wharton School of the University of Pennsylvania. We believe Mr. Young's investment banking and management experience in the biopharmaceutical industry provide him with the qualifications and skills to serve as a member of our board of directors.

Robert C. Goeltz II, *Chief Financial Officer*

Mr. Goeltz joined us as chief financial officer in May 2015. Prior to joining us, Mr. Goeltz was chief financial officer of Onyx Pharmaceuticals, Inc. after its acquisition by Amgen, Inc. in October 2013. From August 2004 to October 2013, Mr. Goeltz held leadership roles in Business Development, Commercial Finance, R&D Finance and Corporate Accounting at Amgen, Inc. Mr. Goeltz was Director of Finance at Tularik Inc. prior to its acquisition by Amgen, Inc. in August 2004. He began his career working in the audit practice for Ernst & Young LLP. Mr. Goeltz earned an M.B.A. from the UCLA Andersen School of Management and a B.B.A. in Business from Emory University. He is also a Certified Public Accountant (inactive).

W. Michael Kavanaugh, M.D., *Chief Scientific Officer and Head of Research and Non-Clinical Development*

Dr. Kavanaugh joined us as chief scientific officer and head of research and non-clinical development in January 2015. Prior to joining us, Dr. Kavanaugh was senior vice president and chief scientific officer of Five Prime Therapeutics, Inc. From February 2009 to December 2014, Dr. Kavanaugh held multiple positions in research and development at Five Prime Therapeutics, Inc. and led the growth of its therapeutic pipeline. Prior to that, Dr. Kavanaugh served as vice president of Novartis Vaccines & Diagnostics, Inc. and executive director of Oncology Biologics in the Novartis Institutes of Biomedical Research. He joined Novartis as part of its acquisition of the Chiron Corporation in 2006, where he held positions as vice president and head of antibody and protein therapeutics research. Dr. Kavanaugh received his M.D. from Vanderbilt University and his B.S. in molecular biochemistry and biophysics from Yale University. He completed training in internal medicine, cardiovascular disease and molecular and cellular biology at University of California, San Francisco, and the Cardiovascular Research Institute. Dr. Kavanaugh also currently serves as an attending staff physician at the San Francisco Veterans Administration Medical Center and as an associate clinical professor of Medicine at University of California, San Francisco.

Rachel W. Humphrey, M.D., *Chief Medical Officer*

Dr. Humphrey has served as our chief medical officer since August 2015, having previously served as a member of our board of directors from May 2015 to August 2015. Dr. Humphrey was vice president, head of immuno-oncology at Eli Lilly and Company, a global pharmaceutical company, from May 2015 to August 2015. From November 2013 to December 2014, Dr. Humphrey was vice president, head of immuno-oncology at AstraZeneca, a global pharmaceutical company. From January 2012 to October 2013, she was executive vice president and chief medical officer of Mirati Therapeutics, Inc., where she helped advance multiple assets through early stage clinical investigation. Prior to that, she served as vice president of product development at Bristol-Myers Squibb Company from May 2003 to January 2012. Prior to that, Dr. Humphrey held multiple positions in development at Bayer. Dr. Humphrey began her career as an oncology fellow and staff physician at the National Cancer Institute. Dr. Humphrey received her M.D. from Case Western Reserve University and received her B.A. from Harvard University.

Cynthia J. Ladd, *Senior Vice President and General Counsel*

Ms. Ladd joined us as senior vice president and general counsel in June 2015. Prior to joining us, Ms. Ladd was an independent consultant to biotechnology companies from February 2006 to June 2015, advising on corporate strategy, negotiations around collaborations, and clinical and regulatory issues, as well as acting as general counsel. Prior to that, she was president and chief executive officer of AGY Therapeutics Inc. from May 2003 to June 2005, where she guided the company through a venture round and its transition to a clinical organization. Ms. Ladd previously served as senior vice president and general counsel at Pharmacyclics. Earlier in her career, Ms. Ladd held a number of positions at Genentech, Inc., including vice president of corporate law and chief corporate counsel. She began her career as an associate with Wilson Sonsini Goodrich & Rosati, P.C., and Ware & Freidenrich LLP (now DLA Piper LLP (US)). Ms. Ladd received her J.D. from Stanford Law School, an M.S. in animal nutrition and biochemistry from Cornell University and a B.S. in animal science from Pennsylvania State University.

Board Composition

Upon completion of this offering, our board of directors will consist of seven members. Our amended and restated certificate of incorporation that will become effective upon completion of this offering will provide that the number of directors may be changed only by resolution of the board of directors. Our board of directors has determined that all of the members of our board of directors, except Sean A. McCarthy, D. Phil., are "independent directors" as defined in applicable rules of the SEC and The NASDAQ Global Market. Dr. McCarthy is not an "independent director" under applicable rules as a result of his employment with the company. All directors will hold office until their successors have been elected and qualified or appointed or the earlier of their death, resignation or removal. Executive officers are appointed and serve at the discretion of the board of directors. There are no family relationships among any of our directors or executive officers.

Staggered Board

In accordance with our amended and restated certificate of incorporation that will become effective upon the completion of this offering, our board of directors will be divided into three staggered classes of directors of the same or nearly the same number and each director will be assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2016 for Class I directors, 2017 for Class II directors and 2018 for Class III directors.

Our amended and restated certificate of incorporation provides that the number of our directors shall be fixed from time to time by a resolution of the majority 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 possible, each class shall consist of one third of the board of directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

Voting Arrangements

Pursuant to our amended and restated voting agreement that we entered into with certain holders of our common stock and certain holders of our convertible preferred stock:

- the holders of the shares of our Series C preferred stock are entitled to elect one member of our board of directors;
- the holders of the shares of our Series B-1 and Series B-2 preferred stock, voting together, are entitled to elect three members of our board of directors;
- the holders of the shares of our common stock are entitled to elect two members of our board of directors, one of whom shall be our then-serving chief executive officer; and
- the holders of the shares of our common stock and our convertible preferred stock, voting together, are entitled to elect two members of our board of directors.

The holders of our common stock and preferred stock that are parties to the amended and restated voting agreement are obligated to vote for such designees. The rights of these holders of our preferred stock will terminate upon the consummation of this offering and there will be no voting rights with respect to the election of our directors.

Director Independence

Upon the consummation of this offering, our common stock will be listed on The NASDAQ Global Market. Under the rules of The NASDAQ Global Market (the "NASDAQ rules"), independent directors must comprise a majority of a listed company's board of directors within twelve months from the date of listing. In addition, the NASDAQ rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent within twelve months of the date of listing. Audit committee members must also satisfy additional independence criteria set forth in Rule 10A-3 under the Exchange Act, and in NASDAQ Rule 5605. Under the NASDAQ rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

To be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee, accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries or be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors determined that none of our directors, other than Dr. McCarthy, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the NASDAQ rules. Our board of directors determined that Neil Exter and Frederick W. Gluck, who will be members of our audit committee and compensation committee effective upon completion of this offering, Matthew P. Young, who will be a member of our audit committee effective upon the completion of this offering, Timothy M. Shannon, M.D., who will be a member of our compensation committee effective upon the completion of this offering, and Hoyoung Huh, M.D., Ph.D., who will be a member of our nominating governance committee effective upon the completion of this offering, satisfy the independence standards established by applicable SEC and the NASDAQ rules, including, with respect to Mr. Gluck and Mr. Young, the heightened independence criteria applicable to the audit committee, as set forth in Rule 10A-3 and NASDAQ Rule 5605. Mr. Exter, who will serve as a member of our audit committee upon completion of this offering, will not meet the heightened independence criteria set forth in Rule 10A-3 and NASDAQ Rule 5605, if Third Rock Ventures, L.P. continues to own more than ten percent of our capital stock after this offering. In such event, applicable exemptions under the NASDAQ rules would permit Mr. Exter to continue to serve on the audit committee for a transition period following the consummation of this offering. (For more information, see the section titled "Principal Stockholders" elsewhere in this prospectus.) In making these determinations, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Diversity

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

- diversity of personal and professional background, perspective and experience;

- personal and professional integrity, ethics and values;
- experience in corporate management, operations or finance, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment;
- experience relevant to our industry and with relevant social policy concerns;
- experience as a board member or executive officer of another publicly held company;
- relevant academic expertise or other proficiency in an area of our operations;
- practical and mature business judgment, including ability to make independent analytical inquiries;
- promotion of a diversity of business or career experience relevant to our success; and
- any other relevant qualifications, attributes or skills.

Currently, our board of directors evaluates, and following the completion of our initial public offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Board Committees

Our board of directors has established the committees described below and may establish others from time to time. The charters for each of our committees will be available on our website upon effectiveness of the registration statement to which this prospectus relates.

Audit Committee

Upon completion of this offering, our audit committee will be comprised of Matthew P. Young, Neil Exter and Frederick W. Gluck. Mr. Young will serve as the chairperson of the committee. Our board of directors has determined that Mr. Young and Mr. Gluck are "independent" for audit committee purposes as that term is defined in the applicable rules of the SEC and The NASDAQ Global Market. Mr. Exter will not meet the heightened independence criteria set forth in such rules if Third Rock Ventures, L.P. continues to own more than ten percent of our capital stock after this offering, but in such event applicable exemptions under the NASDAQ rules would permit him to continue to serve on the committee for a transition period following the consummation of this offering. Our board of directors has designated Mr. Young as an "audit committee financial expert," as defined under the applicable rules of the SEC. The audit committee's responsibilities include:

- appointing, approving the compensation of and assessing the independence of our independent registered public accounting firm;
- pre-approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing annually a report by the independent registered public accounting firm regarding the independent registered public accounting firm's internal quality control procedures and various issues relating thereto;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating the oversight and reviewing the adequacy of our internal control over financial reporting with both management and the independent registered public accounting firm;

- establishing policies and procedures for the receipt and retention of accounting related complaints and concerns, including a confidential, anonymous mechanism for the submission of concerns by employees;
- periodically reviewing legal compliance matters, including any securities trading policies, periodically reviewing significant accounting and other financial risks or exposures to our company and reviewing and, if appropriate, approving all transactions between our company and any related party (as described in Item 404 of Regulation S-K promulgated under the Exchange Act);
- establishing policies for the hiring of employees and former employees of the independent registered public accounting firm; and
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties and will have the authority to retain counsel and advisors to fulfill its responsibilities and duties.

Compensation Committee

Upon completion of this offering, our compensation committee will be comprised of Timothy M. Shannon, M.D., Neil Exter and Frederick W. Gluck. Dr. Shannon will serve as the chairperson of the committee. Our board of directors has determined that each member of the compensation committee is an independent director for compensation committee purposes as that term is defined in the applicable NASDAQ rules, is a “non-employee director” within the meaning of Rule 16b-3(d)(3) promulgated under the Exchange Act and is an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The compensation committee’s responsibilities include, among other things:

- 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 approving the compensation of our chief executive officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing our compensation, welfare, benefit and pension plans and similar plans;
- reviewing and making recommendations to the board of directors with respect to director compensation; and
- preparing for inclusion in our proxy statement the report, if any, of the compensation committee required by the SEC.

The compensation committee has the power to investigate any matter brought to its attention within the scope of its duties and will have the authority to retain counsel and advisors to fulfill its responsibilities and duties.

Nominating Governance Committee

Upon completion of this offering, we will have a nominating governance committee comprised of Hoyoung Huh, M.D., Ph.D., who will serve as the chairperson of the committee. Our board of directors has

determined that Dr. Huh is an independent director for nominating and corporate governance committee purposes as that term is defined in the applicable rules of The NASDAQ Global Market. The nominating and corporate governance committee's responsibilities include, among other things:

- developing and recommending to the board of directors criteria for membership on the board of directors and committees;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each committee of the board of directors;
- annually reviewing our corporate governance guidelines; and
- monitoring and evaluating the performance of the board of directors and leading the board in an annual self-assessment of its practices and effectiveness.

The nominating and corporate governance committee has the power to investigate any matter brought to its attention within the scope of its duties and will have the authority to retain counsel and advisors to fulfill its responsibilities and duties.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2014, Timothy M. Shannon, M.D. served as the member of the compensation committee of our board of directors. No such person is currently, or has been at any time, one of our executive officers or employees. None of our executive officers currently serves, or has served during the last completed three fiscal years, as a member of the board of directors or compensation committee of any other entity that has or had one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Business Conduct and Ethics

Before the completion of this offering, we intend 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. Following the completion of this offering, the code of business conduct and ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Limitation of Liability and Indemnification

As permitted by the Delaware General Corporation Law, as amended, our amended and restated certificate of incorporation and amended and restated bylaws, in each case, that will become effective upon the completion of this offering, limit or eliminate the personal liability of our directors. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or

- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the U.S. federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our amended and restated bylaws provide that:

- we will indemnify our directors, officers and, at the discretion of our board of directors, certain employees and agents to the fullest extent permitted by the Delaware General Corporation Law, as amended;

- we will advance expenses, including attorneys' fees, to our directors and to our officers and certain employees, in connection with legal proceedings, subject to limited exceptions; and

- the indemnification and advancement of expenses provided in our amended and restated bylaws are not exclusive of any other right to which our directors or officers may be entitled under any indemnification agreement we enter into with any individual director, officer, employee or agent.

In connection with this offering, we have entered into indemnification agreements with each of our executive officers and directors. These agreements provide that we will indemnify each of our executive officers and directors to the fullest extent permitted by law and advance expenses to each indemnitee in connection with any proceeding in which indemnification is available.

We have obtained general liability insurance that covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

The above provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. The provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. We believe that these provisions, the indemnification agreements and the insurance are necessary to attract and retain talented and experienced directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors or officers where indemnification will be required or permitted. We are not aware of any threatened litigation or proceedings that might result in a claim for such indemnification.

EXECUTIVE AND DIRECTOR COMPENSATION

2014 Director Compensation Table

The following table presents information regarding the compensation of our non-employee directors for the year ended December 31, 2014. The compensation paid to Sean A. McCarthy, D. Phil., our chief executive officer, is presented below under "Executive Compensation" and the related explanatory tables.

NAME	FEES EARNED OR PAID IN CASH(1) ($)	OPTION AWARDS(2) ($)	TOTAL ($)
Neil Exter	—	—	—
Frederick W. Gluck	45,000	—	45,000
Hoyoung Huh, M.D., Ph.D.	160,000	126,921	286,921
Timothy M. Shannon, M.D.	—	—	—

(1) For his service on our board during the first quarter of 2014, Mr. Gluck received a cash payment of $5,000. In addition, during 2014, our board of directors granted each of Dr. Huh and Mr. Gluck the right to convert their respective 2014 and 2015 cash retainer fees in the aggregate amounts of $160,000 and $40,000, respectively into options to purchase shares of our common stock, which vest in 24 equal monthly installments from the date of grant.

(2) Pursuant to applicable SEC executive compensation disclosure rules, the amount reported in this column reflects the fair value of the annual option award granted to our chairman, Dr. Huh, during 2014. This value has been determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation ("FASB ASC Topic 718"). For a discussion of the assumptions and methodologies used to calculate this amount, please see the discussion of option awards contained in Note 15, Stock Based Compensation, to our financial statements for the year ended December 31, 2014 and for the six months ended June 30, 2015 included elsewhere in this prospectus. As of December 31, 2014, Dr. Huh and Mr. Gluck held outstanding options to purchase 359,993 and 75,985 shares of our common stock, respectively. Other than these options, none of our non-employee directors held any outstanding options or other equity awards on that date.

Director Compensation

For his service on our board during the first quarter of 2014, Mr. Gluck received a cash payment of $5,000. In addition, during 2014, our board of directors granted each of Dr. Huh and Mr. Gluck the right to convert their respective 2014 and 2015 cash retainer fees in the aggregate amounts of $160,000 and $40,000, respectively into options to purchase shares of our common stock, which were granted in 2014, with such options having an aggregate grant date fair value equal to the converted cash retainer fees. In accordance with applicable SEC disclosure rules, the value of the 2014 and 2015 cash retainers as well as the first quarter fees received by Mr. Gluck are reported in the "Fees Earned or Paid in Cash" column of the 2014 Director Compensation Table. In addition, on January 16, 2014, Dr. Huh was granted an option to purchase 146,325 shares of our common stock. As affiliated members of our board of directors, Mr. Exter and Dr. Shannon did not receive any director compensation during 2014.

Upon the pricing of this offering, Mr. Young will receive a stock option to purchase 26,986 shares of our common stock with an exercise price per share equal to the initial public offering price, which option will vest on a monthly basis for three years following the date of the pricing of this offering, subject to continued service through each applicable vesting date.

We expect to adopt a new compensation program for our non-employee directors following the consummation of this offering. We are still considering the design of this program and expect to retain an independent compensation consultant to help us determine its terms.

Executive Compensation

Overview

Our executive compensation programs are designed to create a "pay for performance" culture by aligning the actions of our executive officers with our business objectives and the long-term interests of our stockholders. The compensation paid or awarded to our executive officers is generally based on the assessment of each individual's performance compared against the business and individual performance objectives established for the fiscal year as well as our historical compensation practices. In addition, we seek to pay compensation at a level that is competitive with companies within the life sciences industry as well as the general labor market. To that end, during 2014, we retained the services of The HawthorneGroup as our company's compensation consultant to provide a perspective on the competitive labor market.

This section provides a discussion of the 2014 compensation paid or awarded to our president and chief executive officer and one former executive officer. We refer to these individuals as our "named executive officers." For 2014, our named executive officers were:

- Sean A. McCarthy, D. Phil., president and chief executive officer; and
- Henry B. Lowman, Ph.D., former chief scientific officer.

Dr. Lowman served as our chief scientific officer through September 30, 2014 and was engaged by us as consultant chief scientific officer from October 2014 through December 2014. Effective January 5, 2015, Dr. Lowman commenced service as a member of our scientific advisory board. During 2014, no other individuals served as executive officers of our company. During 2015, Robert C. Goeltz II joined the company as chief financial officer, W. Michael Kavanaugh, M.D. joined the company as chief scientific officer and head of research and non-clinical development, Cynthia J. Ladd joined the company as senior vice president and general counsel and Rachel W. Humphrey joined the company as chief medical officer.

The material elements of our compensation program for our named executive officers are base salary, annual cash bonuses and equity-based compensation in the form of option awards. Our named executive officers are also eligible to participate in our 401(k) plan, health and welfare benefit plans and fringe benefit programs generally available to our other employees.

Compensation of Named Executive Officers

Base Salary

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of our executive compensation program. The relative levels of base salary for our named executive officers are designed to reflect each executive officer's scope of responsibility and accountability with us. Please see the "Salary" column in the 2014 Summary Compensation Table for the base salary amounts received by each named executive officer in 2014.

Annual Cash Bonuses

Historically, we have provided our executives with short-term incentive compensation through our annual bonus program. We believe that annual bonuses hold executives accountable, reward executives based on actual business results and help create a "pay for performance" culture. Our 2014 annual cash bonus program provided cash incentive awards for the achievement of research and development and financing goals (weighted 60% and 40%, respectively) established at the beginning of the year by our board of directors. The research and development portion of the 2014 annual cash bonus program included specific strategic goals relating to the advancement of our program pipeline, such as advancing programs toward IND filings and generating leads for new targets, as well as optimizing the platform by using it for new modalities and accessing linker and toxin

technology, while the financing portion of the 2014 program included a target goal of obtaining $30 million in financing and forming a new partnership with a pharmaceutical company.

Each executive's target bonus is expressed as a percentage of the executive's base salary and is intended to be commensurate with the executive's position and responsibilities. The 2014 target bonus for Dr. McCarthy was 30% of his base salary, with our board of directors certifying a bonus attainment level of 80% of the underlying research and development and financing performance goals. Pursuant to his Separation Agreement (as described below), Dr. Lowman received a bonus of $10,000, based on an assessment of our performance against the performance goals as well as his prorated service during the year. Please see the "Non-Equity Incentive Compensation" column in the 2014 Summary Compensation Table for the amount of annual bonuses paid to each named executive officer in 2014.

Equity Awards

We have historically used equity awards in the form of stock options to provide an incentive for our executives to focus on achieving specific performance goals and driving growth in our stock price and long-term value creation and to help us to attract and retain key talent. In 2014, none of our named executive officers received additional equity awards with respect to our company. As discussed further below, in connection with Dr. Lowman's separation, we entered into a separation agreement with Dr. Lowman, which allowed for the continued vesting of his outstanding option awards in connection with his agreement to serve as a consultant. Please see the "Option Awards" columns in the 2014 Summary Compensation Table for the modification charge associated with the continued vesting of Dr. Lowman's outstanding option awards.

2015 Compensation Decisions

Early in 2015, Dr. McCarthy received a 3.5% merit increase in base salary, a target bonus opportunity equal to 40% of base salary and option grants with an aggregate grant date fair value equal to approximately $300,000. In addition, in 2015, our board of directors and compensation committee approved a discretionary bonus of $308,943, with such value relating to a promissory note from Dr. McCarthy to the Company. Dr. McCarthy issued the promissory note to the Company as consideration for the exercise of previously granted options to purchase company shares. He has paid all amounts owed under the note, and the note has been cancelled.

In August 2015, after considering the advice of the compensation committee's independent consultant, the compensation committee increased Dr. McCarthy's base salary to $400,000, with a further increase to $425,000 effective upon consummation of this offering. In addition, on August 26, 2015, the Board approved an equity grant to Dr. McCarthy in the form of stock options for the purchase of up to 438,302 shares of the Company's common stock.

2014 Summary Compensation Table

The following table provides a summary of compensation paid to our principal executive officer and our former chief scientific officer who separated from the company in September 2014, and who would have been our most other highly compensated executive officer if he had remained an employee at the end of 2014. During 2014, no other individuals served as executive officers of our company.

Name and Principal Position	Year	Base Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(1)	All Other Compensation ($)	Total ($)
Sean A. McCarthy, D. Phil. President and Chief Executive Officer	2014	357,075	—	—	—	85,698	953	443,726
Henry B. Lowman, Ph.D. Former Chief Scientific Officer(2)	2014	227,325	—	—	41,654(3)	10,000	83,886(4)	362,865

(1) These amounts include payments under our annual incentive bonus plan, which is based on our performance against certain research and development and financing targets established by our board of directors for 2014. For 2014, our board of directors certified an attainment level of 80% with respect to the underlying corporate performance goals.

(2) Dr. Lowman served as our chief scientific officer through September 30, 2014 and served as consultant chief scientific officer through December 31, 2014. He has served as a member of our scientific advisory board since January 5, 2015.

(3) For Dr. Lowman, this amount represents the incremental fair value associated with modifications to his outstanding option awards in 2014. As noted above, in 2014, the vesting terms of Dr. Lowman's option awards were modified in connection with his separation from our company to provide for continued vesting during his service as a consultant through December 2014. For a discussion of the assumptions and methodologies used to calculate these amount, please see the discussion of equity awards contained in Note 15, Stock Based Compensation, to our financial statements for the year ended December 31, 2014 and for the six months ended June 30, 2015 included elsewhere in this prospectus.

(4) This amount includes consulting fees of $75,025 for consulting services performed by Dr. Lowman from October 2014 through December 2014.

Employment, Severance and Change in Control Arrangements

We generally execute an offer of employment before an executive joins our company. This offer describes the basic terms of the executive's employment, including his or her initial base compensation, annual bonus target, option awards and any fringe benefits. In addition, in the case of Dr. McCarthy, his offer letter also provides that if his employment is terminated by us without cause or if Dr. McCarthy terminates his employment due to good reason (as such terms are defined in the offer letter), subject to his execution of a general release of claims against the company, he will be entitled to receive a lump sum payment equal to one year of base salary as well as continued medical and dental coverage for a period of one year following termination of employment or, to the extent we are unable to provide such benefit coverage, a lump sum payment equal to the annualized premium cost relating to such benefit coverage. Dr. McCarthy's offer letter also provides that, in the event of a change in control and a termination of employment without cause or due to good reason within 12 months following such change in control, Dr. McCarthy will be entitled to receive the benefits described in the preceding sentence as well as full vesting of his outstanding option awards. In April 2015, we entered into a Severance and Change in Control Agreement with Dr. McCarthy which maintains the severance benefits and change in control benefits under his offer letter, and also provides for an additional lump sum payment equal to his target annual bonus for the calendar year in which Dr. McCarthy's employment is terminated without cause or for good reason within 12 months following such change in control (as such terms are defined in the Severance and Change in Control Agreement).

In connection with Dr. Lowman's separation and in consideration for his release of claims against the company, in September 2014, we entered into a separation agreement with Dr. Lowman setting forth the terms of his service as consultant chief scientific officer from October 2014 through December 2014. Under the separation agreement, Dr. Lowman received: (i) a monthly consulting fee of $25,008; (ii) continued vesting of his outstanding equity awards in accordance with their normal vesting schedules, subject to Dr. Lowman's continued service as a consultant; and (iii) company-paid COBRA premiums through December 31, 2014. Dr. Lowman also received a $10,000 bonus for the year that was based on an assessment of our achievement of the corporate performance goals. In addition, pursuant to the terms of the September 2014 separation agreement, the parties agreed to enter into a Scientific Advisory Board Consulting Agreement in 2015 which provides for an annual consulting payment of $10,000 and an option grant to acquire 15,873 shares of our common stock, with the option award vesting over 4-years subject to Dr. Lowman's continued service as a consultant.

Defined Contribution Plan

As part of our overall compensation program, we provide all full-time employees, including our named executive officers, with the opportunity to participate in a defined contribution 401(k) plan. Our 401(k) plan is intended to qualify under Section 401 of the Internal Revenue Code of 1986, as amended, so that employee contributions and income earned on such contributions are not taxable to employees until withdrawn. For 2014, we provided a dollar-for-dollar matching contribution up to the first $500 contributed to the plan by each employee.

Prior Plans

We adopted the CytomX Therapeutics, Inc. 2011 Stock Incentive Plan and the 2010 Stock Incentive Plan for the purposes of attracting and rewarding eligible award recipients and further linking the interests of award recipients with those of our stockholders. The 2010 Stock Incentive Plan was terminated by our board of directors in 2011 with the adoption of the 2011 Stock Incentive Plan. In September 2015, we adopted a new equity incentive plan that replaced the 2011 Stock Incentive Plan.

2011 Stock Incentive Plan

Under the 2011 Stock Incentive Plan, 5,374,137 shares of our common stock were reserved for issuance, subject to adjustment for stock splits and other similar changes in capitalization. Under the 2011 Stock Incentive Plan, we were authorized to grant stock options, stock appreciation rights, restricted stock and unrestricted stock. As of August 31, 2015, our employees, directors and consultants hold outstanding stock options granted under the 2011 Stock Incentive Plan for the purchase of up to 4,710,731 shares of our common stock, with 1,029,700 of those options vested as of such date. No other equity awards are outstanding under the 2011 Stock Incentive Plan as of such date.

Our board of directors, or a committee appointed by our board, administers the 2011 Stock Incentive Plan. Under the terms of the plan, the number of shares subject to outstanding awards and the exercise or base prices of those awards are subject to adjustment in the event of certain changes in our capital structure, reorganizations and other extraordinary events. In the event we experience a change in control under the terms of the plan, the plan administrator may provide for the cash settlement, vesting, assumption, substitution or termination of outstanding awards.

2010 Stock Incentive Plan

Under the 2010 Stock Incentive Plan, 629,307 shares of our common stock were reserved for issuance. Under the 2010 Stock Incentive Plan, we were authorized to grant stock options and shares of restricted stock. As of August 31, 2015, our employees, directors and consultants hold outstanding stock options granted under the 2010 Stock Incentive Plan for the purchase of up to 629,307 shares of our common stock, with 628,646 of those options vested as of such date. No other equity awards are outstanding under the 2010 Stock Incentive Plan as of such date.

Our board of directors administers the 2010 Stock Incentive Plan with respect to outstanding awards. In the event of certain changes in our capital structure, the number of shares and exercise prices of outstanding awards may be adjusted. In addition, if we experience a change in control, the board of directors may provide for the termination, assumption, vesting or cash settlement of outstanding options under the plan.

2015 Equity Incentive Plan

In September 2015, we adopted, the 2015 Equity Incentive Plan, referred to as the 2015 Plan. The 2015 Plan is intended to align the interests of our stockholders and the recipients of awards under the 2015 Plan, to advance our interests by attracting and retaining directors, officers, employees and other service providers, and to motivate award recipients to act in the long-term bests interests of the company and our stockholders. The material terms of the 2015 Plan are as follows:

Plan Term

The 2015 Plan has been approved by our board of directors and our stockholders. The term of the 2015 Plan is the day preceding the effectiveness of the registration statement to which this prospectus relates through September 17, 2025, unless terminated earlier by the board of directors.

Eligible Participants

All officers, non-employee directors, employees, consultants, agents and independent contractors, and persons expected to become officers, non-employee directors, employees, consultants, agents and independent contractors of the company or any of our subsidiaries are eligible to receive awards under the 2015 Plan. The compensation committee of our board will determine the participants under the 2015 Plan.

Shares Authorized

2,444,735 shares of common stock (or approximately 7% of the total number of shares of our common stock outstanding immediately following the consummation of this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock) will be available for awards granted under the 2015 Plan, subject to adjustment for stock splits and other similar changes in capitalization. The number of available shares will be reduced by the aggregate number of shares that become subject to outstanding awards granted under the 2015 Plan. As of the first day of each calendar year beginning on or after January 1, 2016, the number of shares available for all awards under the 2015 Plan, other than incentive stock options, will automatically increase by 4% of the number of shares that are issued and outstanding as of that date, unless the compensation committee approves an increase of a lesser percentage. To the extent that shares subject to an outstanding award granted under the 2015 Plan are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or by reason of the settlement of an award in cash, then those shares will again be available under the 2015 Plan.

Award Types

Awards include non-qualified and incentive stock options, share appreciation rights, bonus shares, restricted shares, restricted share units and performance units.

Administration

The compensation committee will interpret, construe and administer the 2015 Plan. The compensation committee's interpretation, construction and administration of the 2015 Plan and all of its determinations thereunder will be final, conclusive and binding on all persons. The compensation committee will have the authority to determine the participants in the 2015 Plan, the form, amount and timing of any awards, the performance goals, if any, and all other terms and conditions pertaining to any award. The compensation committee may take any action such that (i) any outstanding options and share appreciation rights become exercisable in part or in full, (ii) all or any portion of a restriction period on any restricted shares or restricted share units will lapse, (iii) all or a portion of any performance period applicable to any outstanding award will lapse and (iv) any performance measures applicable to any outstanding award will be deemed satisfied at the target level or any other level.

The compensation committee may delegate some or all of its powers and authority to the Board, the chief executive officer and president or other executive officer as the compensation committee deems appropriate, subject to Section 162(m) of the Internal Revenue Code and Section 16 of the Exchange Act.

Stock Options and Share Appreciation Rights

The 2015 Plan provides for the grant of stock options and share appreciation rights. Stock options may be either tax-qualified incentive stock options or non-qualified options. The compensation committee will determine the terms and conditions to the exercisability of each option and share appreciation right.

The period for the exercise of a non-qualified stock option or share appreciation right will be determined by the compensation committee provided that no option may be exercised later than ten years after its date of grant. The exercise price of a non-qualified stock option and the base price of a share appreciation right will not be less than 100% of the fair market value of a share of our common stock on the date of grant, provided that the base price of a share appreciation right granted in tandem with an option will be the exercise price of the related

option. A share appreciation right entitles the holder to receive upon exercise, subject to tax withholding in respect of an employee, shares of our common stock (which may be restricted shares) or, to the extent provided in the applicable agreement, cash or a combination thereof, with a value equal to the difference between the fair market value of our common stock on the exercise date and the base price of the share appreciation right.

Each incentive stock option will be exercisable for not more than ten years after its date of grant, unless the optionee owns greater than ten percent of the voting power of all shares of our capital stock, or a "ten percent holder," in which case the option will be exercisable for not more than five years after its date of grant. The exercise price of an incentive stock option will not be less than the fair market value of a share of our common stock on its date of grant, unless the optionee is a ten percent holder, in which case the option exercise price will be the price required by the Internal Revenue Code of 1986, as amended, currently 110% of fair market value.

Upon exercise, the option exercise price may be paid in cash, by the delivery of previously owned shares of our common stock, share withholding or through a cashless exercise arrangement, as permitted by the applicable award agreement. All of the terms relating to the exercise, cancellation or other disposition of an option or share appreciation right upon a termination of employment, whether by reason of disability, retirement, death or any other reason, will be determined by the compensation committee.

The compensation committee, without stockholder approval, may amend or replace any previously granted option or share appreciation right in a repricing transaction under the rules of The NASDAQ Global Market or any other stock exchange on which our stock is then traded.

Share Awards

The 2015 Plan provides for the grant of share awards. The compensation committee may grant a share award as a bonus share award, a restricted share award or a restricted share unit award and, in the case of a restricted share award or restricted share unit award, the compensation committee may determine that such award will be subject to the attainment of performance measures over an established performance period. All of the terms relating to the satisfaction of performance measures and the termination of a restriction period, or the forfeiture and cancellation of a share award upon a termination of employment, whether by reason of disability, retirement, death or any other reason, will be determined by the compensation committee.

The agreement awarding restricted share units will specify whether such award may be settled in shares of our common stock, cash or a combination thereof and whether the holder will be entitled to receive dividend equivalents, on a current or deferred basis, with respect to such award, provided that any dividend equivalents with respect to a restricted share unit award that is subject to performance-based vesting conditions will be subject to the same restrictions as the restricted share units. Prior to settlement of a restricted share unit, the holder of a restricted share unit will have no rights as our stockholder. Unless otherwise set forth in a restricted share award agreement, the holder of restricted shares will have rights as our stockholder, including the right to vote and receive dividends with respect to the restricted shares, except that distributions other than regular cash dividends and regular cash dividends with respect to restricted shares subject to performance-based vesting conditions will be held by us and will be subject to the same restrictions as the restricted shares.

Performance Unit Awards

The 2015 Plan also provides for the grant of performance unit awards. Each performance unit is a right, contingent upon the attainment of performance measures within a specified performance period, to receive a specified cash amount or shares of our common stock, which may be restricted shares, having a fair market value equal to such cash amount. The agreement awarding performance units will specify whether the holder will be entitled to receive dividend equivalents, on a current or deferred basis, with respect to such award, provided that any dividends or dividend equivalent with respect to a performance unit award that remains subject to performance-based vesting conditions will be subject to the same restrictions as the performance units. Prior to

the settlement of a performance unit award in shares of our common stock, the holder of such award will have no rights as our stockholder with respect to such shares. Performance units will be non-transferable and subject to forfeiture if the specified performance measures are not attained during the specified performance period. All of the terms relating to the satisfaction of performance measures and the termination of a performance period, or the forfeiture and cancellation of a performance unit award upon a termination of employment, whether by reason of disability, retirement, death or any other reason, will be determined by the compensation committee.

Performance Goals

Under the 2015 Plan, the vesting or payment of performance-based awards will be subject to the satisfaction of certain performance goals. The performance goals applicable to a particular award will be determined by the compensation committee at the time of grant. The performance goals may be one or more of the following corporate-wide or subsidiary, division, operating unit or individual measures, stated in either absolute terms or relative terms, such as rates of growth or improvement: the attainment by a share of our common stock of a specified fair market value for a specified period of time, earnings per share, return to stockholders (including dividends), return on assets, return on equity, our earnings before or after taxes and/or interest, revenues, expenses, market share, cash flow or cost reduction goals, interest expense after taxes, return on investment, return on investment capital, return on operating costs, economic value created, operating margin, gross margin, achievement of annual operating profit plans, net income before or after taxes, pretax earnings before interest, depreciation and/or amortization, pretax operating earnings after interest expense and before incentives, and/or extraordinary or special items, operating earnings, net cash provided by operations, and strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, days sales outstanding goals, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation and information technology, quality and quality audit scores, productivity, efficiency, and goals relating to acquisitions or divestitures, or any combination of the foregoing.

Amendment or Termination of the 2015 Plan

The board may amend or terminate the 2015 Plan as it deems advisable, subject to any requirement of stockholder approval required by law, rule or regulation.

Change of Control

In the event of a change of control, the board may, in its discretion, (1) provide that (A) some or all outstanding options and share appreciation rights will immediately become exercisable in full or in part, (B) the restriction period applicable to some or all outstanding share awards will lapse in full or in part, (C) the performance period applicable to some or all outstanding awards will lapse in full or in part, and (D) the performance measures applicable to some or all outstanding awards will be deemed to be satisfied at the target or any other level, (2) require that shares of stock of the corporation resulting from such change of control, or a parent corporation thereof, be substituted for some or all of our shares subject to an outstanding award, and/or (3) require outstanding awards, in whole or in part, to be surrendered by the holder, and to be immediately cancelled, and to provide for the holder to receive (A) a cash payment in an amount equal to (i) in the case of an option or share appreciation right, the number of our shares then subject to the portion of such option or share appreciation right surrendered, whether vested or unvested, multiplied by the excess, if any, of the fair market value of a share of our common stock as of the date of the change of control, over the purchase price or base price per share of our common stock subject to such option or share appreciation right, (ii) in the case of a share award, the number of shares of our common stock then subject to the portion of such award surrendered, whether vested or unvested, multiplied by the fair market value of a share of our common stock as of the date of the change of control, and (iii) in the case of a performance unit award, the value of the performance units then subject to the portion of such award surrendered, whether vested or unvested; (B) shares of capital stock of the corporation resulting from such change of control, or a parent corporation thereof, having a fair market value not

less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to clause (B) above.

Under the 2015 Plan, a change of control will occur upon: (i) a person's or entity's acquisition, other than from us, of beneficial ownership of 50% or more of either our then outstanding shares or the combined voting power of our then outstanding voting securities, but excluding certain acquisitions by the company, its subsidiaries or employee benefit plans, or by a corporation in which our shareholders hold a majority interest; (ii) a reorganization, merger or consolidation of the company if our shareholders do not thereafter beneficially own more than 50% of the outstanding shares or combined voting power of the resulting company; (iii) an unapproved change in the composition of a majority of our board; or (iv) a complete liquidation or dissolution of the company or of the sale or other disposition of all or substantially all of our assets; but excluding, in any case, the initial public offering or any bona fide primary or secondary public offering following the occurrence of the initial public offering.

New Plan Benefits

The benefits that might be received by officers, employees and non-employee directors cannot be determined at this time. All officers, employees and non-employee directors are eligible for consideration to participate in the 2015 Plan.

Outstanding Equity Awards at December 31, 2014

The following table presents information regarding the outstanding stock options held by each of the named executive officers as of December 31, 2014. None of the named executive officers held any outstanding restricted stock or other equity awards as of that date.

Name	Grant Date	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underling Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Sean A. McCarthy, D. Phil.	9/21/2011(1)	8/9/2011	317,754	63,550	0	1.1339	9/20/2021
	2/26/2013(2)	2/26/2013	65,777	71,497	0	0.945	2/25/2023
	2/26/2013	2/26/2013	48,379	0	0	0.945	2/25/2023
	2/26/2013	2/23/2013	0	0	48,379(3)	0.945	2/25/2023
Henry B. Lowman, Ph.D.	9/22/2010	2/5/2010	160	0	0	1.1339	9/21/2020
	5/3/2011(1)	5/3/2011	25,149	6,618	0	1.1339	5/2/2021
	9/21/2011(1)	9/14/2011	12,574	5,956	0	1.1339	9/20/2021
	2/26/2013(2)	2/26/2013	39,340	42,761	0	0.945	2/25/2023

(1) This option vests 25% on the first anniversary of the vesting commencement date and in subsequent 1/48th increments for each subsequent month of continuous employment.

(2) This option vests in 1/48th increments on the last day of each month of continuous service following the vesting commencement date.

(3) This option vests upon our filing of an Investigational New Drug application with the US FDA prior to December 31, 2016, subject to the named executive officer's continuous employment through the filing date.

2015 CytomX Therapeutics, Inc. Employee Stock Purchase Plan

Our board of directors and stockholders have approved the 2015 CytomX Therapeutics, Inc. Employee Stock Purchase Plan (the "ESPP"), which will be effective as of the completion of the offering and is summarized below.

Generally, all of our employees (including those of our consolidated subsidiaries, other than those subsidiaries excluded from participation by our board of directors or compensation committee) who have been

employed for at least 90 days are eligible to participate in the ESPP. The ESPP permits employees to purchase our common stock through payroll deductions during quarterly offering periods, with the first offering period beginning July 1, 2016. Participants may authorize payroll deductions of a specific percentage of compensation between 1% and 15%, with such deductions being accumulated for quarterly purchase periods beginning on the first business day of each offering period and ending on the last business day of each offering period. Under the terms of the ESPP, the purchase price per share will equal 85% of the lesser of (i) the fair market value of a share of our common stock on the applicable enrollment date or (ii) the fair market value of a share of our common stock on the last business day of each offering period, although the compensation committee has discretion to change the purchase price with respect to future offering periods. No employee may be granted an option under the plan if immediately after such grant, the employee would own or had options to purchase 5% or more of the total combined voting power or value of our stock or the stock of any of our subsidiaries. In addition, no employee may be granted an option under the plan if such option would permit the employee to accrue shares of our common stock at a rate that exceeds $25,000 of the fair market value of our common stock for each calendar year in which the option would be outstanding. No participant may purchase more than 6,000 shares of common stock during any offering period.

Subject to adjustment for stock splits, stock dividends or other changes in our capital stock, 354,466 shares of our common stock have been reserved for issuance under the ESPP. The available shares under the ESPP will be increased on the first day of each calendar year beginning with 2016, by an amount equal to the lesser of (i) 675,000 shares of our common stock, (ii) 1% of the then-outstanding shares of our common stock on such date or (iii) an amount determined by the compensation committee.

The ESPP will be administered by the compensation committee or a designee of the Compensation Committee. The ESPP may be amended by our board of directors or the compensation committee but may not be amended without prior stockholder approval to the extent required by Section 423 of the Code.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Below we describe transactions and series of related transactions to which we were a party, or may be a party in relation to this offering, and which we have entered since January 1, 2012, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than five percent 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

Issuances of Preferred Stock

The following table sets forth a summary of the sale and issuance of our preferred stock to related persons since January 1, 2012, other than compensation arrangements which are described under the sections of this prospectus captioned "Executive and Director Compensation—Director Compensation" and "Executive and Director Compensation—Executive Compensation." For a description of beneficial ownership see the section of this prospectus captioned "Principal Stockholders."

Purchaser	Series B-1 Convertible Preferred Stock	Series C Convertible Preferred Stock	Series D Convertible Preferred Stock
5% Stockholders:			
Entities affiliated with Fidelity Management & Research Company(1)	—	—	2,461,177
Third Rock Ventures, L.P.(2)	2,755,806	565,036	—
Canaan IX L.P.(3)	3,566,337	1,318,418	—
CytomX Therapeutics Holdings, LLC	863,149	282,633	—
Roche Finance Ltd	486,318	282,518	—
Pfizer Inc.	—	1,600,938	—

(1) Consists of (a) 287,485 shares purchased by Fidelity Select Portfolios: Biotechnology Portfolio, (b) 64,961 shares purchased by Fidelity Advisory Series VII: Fidelity Advisor Biotechnology Fund, (c) 189,110 purchased by Fidelity Growth Company Commingled Pool, (d) 207,739 shares purchased by Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, (e) 794,033 shares purchased by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, (f) 105,499 shares purchased by Fidelity Securities Fund: Fidelity Series Small Cap Opportunities Fund—Healthcare Sub, (g) 27,627 shares purchased by Fidelity Capital Trust: Fidelity Stock Selector Small Cap Fund—Health Care Sub, (h) 2,584 shares purchased by Fidelity Blue Chip Growth Commingled Pool, (i) 137,854 shares purchased by Fidelity Securities Fund: Fidelity Series Blue Chip Growth Fund, (j) 378,621 shares purchased by Fidelity Securities Fund: Fidelity Blue Chip Growth Fund, (k) 4,032 shares purchased by Fidelity OTC Commingled Pool, (l) 244,269 shares purchased by Fidelity Securities Fund: Fidelity OTC Portfolio and (m) 17,363 shares purchased by Pyramis Lifecycle Blue Chip Growth Commingled Pool.

(2) Consists of (a) 2,755,806 shares of Series B-1 preferred stock purchased by Third Rock Ventures, L.P. and (b) 565,036 shares of Series C preferred stock purchased by Third Rock Ventures, L.P. Neil Exter, a member of our board of directors, is a partner of Third Rock Ventures. Mr. Exter does not have voting or investment power over any of the shares purchased by Third Rock Ventures, L.P.

(3) Consists of (a) 3,566,337 shares of Series B-1 preferred stock purchased by Canaan IX L.P. and (b) 1,318,418 shares of Series C preferred stock purchased by Canaan IX L.P. Timothy M. Shannon, M.D., a member of our board of directors, is a non-managing member of Canaan Partners IX LLC, the general partner of Canaan IX L.P. Dr. Shannon does not have voting or investment power over any of the shares directly held by Canaan IX L.P.

Issuance of Series D Preferred Stock

In June 2015, we issued and sold an aggregate of 7,490,540 shares of our Series D preferred stock at a purchase price of $9.345101 per share for an aggregate purchase price of approximately $70.0 million in cash, including 2,461,177 shares issued to entities affiliated with Fidelity Management & Research Company for an aggregate purchase price of $22,999,999.95.

Issuance of Series C Preferred Stock

In December 2014, February 2015 and May 2015, we issued and sold an aggregate of 4,049,543 shares of our Series C preferred stock at a purchase price of $5.309387 per share for an aggregate purchase price of approximately $21.5 million in cash, including (i) 565,036 shares issued to Third Rock Ventures, L.P. for an aggregate purchase price of $2,999,999.95, (ii) 1,318,418 shares issued to Canaan IX L.P. for an aggregate purchase price of $6,999,999.96, (iii) 282,633 shares issued to CytomX Therapeutics Holdings, LLC for an aggregate purchase price of $1,500,612.06, (iv) 282,518 shares issued to Roche Finance Ltd. for an aggregate purchase price of $1,499,999.93, and (v) 1,600,938 shares issued to Pfizer Inc. for an aggregate purchase price of $8,499,999.98.

Issuance of Series B-1 Preferred Stock

In July, August and October 2012, and January and April 2014, we issued and sold an aggregate of 8,003,927 shares of our Series B-1 preferred stock at a purchase price of $3.084396 per share for an aggregate purchase price of approximately $24.7 million in cash, including (i) 2,755,806 shares issued to Third Rock Ventures, L.P. for an aggregate purchase price of $8,500,000.00, (ii) 3,566,337 shares issued to Canaan IX L.P. for an aggregate purchase price of $10,999,999.92, (iii) 863,149 shares issued to CytomX Therapeutics Holdings, LLC for an aggregate purchase price of $2,662,296.31, and (iv) 486,318 shares issued to Roche Finance Ltd for an aggregate purchase price of $1,499,999.95.

Participation in this Offering

Certain of our existing stockholders, including a stockholder affiliated with one of our directors, have indicated an interest in purchasing an aggregate of up to $15.0 million in shares of our common stock in this offering at the initial public offering price. Any such purchases, if completed, would be made on the same terms as the shares that are sold to the public generally. See the footnotes to the beneficial ownership table in “Principal Stockholders” for more details.

In addition, at our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates, friends, family and related persons through a reserved share program. See “Underwriting—Reserved Share Program” for additional information regarding the reserved share program.

Investors’ Rights Agreement

We have entered into an amended and restated investors’ rights agreement, dated as of June 12, 2015, that provides holders of our preferred stock, including certain holders of five percent or more of our capital stock and entities affiliated with certain of our directors, with rights of first refusal in favor of the holders of our preferred stock with respect to certain issuances of our capital stock and securities convertible into or exercisable or exchangeable for our capital stock. The rights of first refusal do not include the shares to be sold in this offering and will terminate upon the closing of this offering. The registration rights given to holders of our preferred stock include the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing, subject, in each case, to certain exceptions.

These holders have waived their rights to include shares in the registration statement of which this prospectus forms a part and to exercise their registration rights during the lock-up period for this offering. See “Description of Capital Stock—Registration Rights” for more information about the registration rights.

Collaboration Agreement

Pfizer is one of our stockholders that owns more than five percent of our capital stock. In May 2013, we entered into a research collaboration, option and license agreement with it, pursuant to which we granted Pfizer the option to collaborate with us on preclinical research of PDCs and certain other rights in exchange for certain fees and royalties on potential future sales. Since January 1, 2014, Pfizer has paid to us $1,715,576 in research funding. In addition, upon the selection of certain targets pursuant to the collaboration agreement, it will be required to pay us additional amounts. Pfizer also has obligations to pay us certain licensing and royalty amounts. For more information regarding this collaboration agreement, see “Business—Collaborations.”

Consulting Services

Cynthia J. Ladd, our Senior Vice President and General Counsel, provided legal consulting services to us prior to her joining us in June 2015. The fees paid for Ms. Ladd’s services since January 1, 2012 totaled $191,280.

Director and Executive Officer Compensation

See “Executive and Director Compensation” for information regarding compensation of our directors and named executive officers.

Employment Agreements

We generally execute an offer of employment before an executive joins our company. This offer describes the basic terms of the executive’s employment, including his or her start date, starting salary, bonus target and any equity awards. See “Executive and Director Compensation—Employment, Severance and Change in Control Arrangements” for more information.

Indemnification Agreements and Directors’ and Officers’ Liability Insurance

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

Notes Receivable

In December 2010, we accepted a full-recourse promissory note in the amount of $180,000 from Sean A. McCarthy, D.Phil. as consideration for the exercise price for options to purchase an aggregate of 158,737 shares of our common stock. The note accrued an interest at a rate of 1.53% per annum. Dr. McCarthy has paid all amounts owed under the note, and the note has been cancelled.

In December 2010, we accepted a full-recourse promissory note in the amount of $72,347.22 from Henry B. Lowman, Ph.D. as consideration for the exercise price for options to purchase an aggregate of 63,801 shares of our common stock. The note accrued interest at a rate of 1.53% per annum and will be due and payable no later than the earliest of (i) December 23, 2017, (ii) the sale or disposition of all or any portion of the pledged shares, or (iii) 30 days following the termination of Dr. Lowman’s employment or consulting services.

Policies and Procedures for Related Party Transactions

We have adopted a written related person transaction policy that sets forth the policies and procedures for the review and approval or ratification of related person transactions that is effective upon the completion of this offering. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K promulgated under the Exchange Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had, has or will have a direct or indirect material interest, including purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. As provided by our audit committee charter to be effective upon consummation of this offering, our audit committee will be responsible for reviewing and approving in advance the related party transactions covered by our related transaction policies and procedures. In determining whether to approve a related party transaction, the audit committee will consider, among other factors, (i) whether the terms of the related party transaction are fair to us and on the same basis as would apply if the transaction did not involve a related party, (ii) whether there are business reasons for us to enter into the related party transaction, (iii) whether the related party transaction would impair the independence of an outside director and (iv) whether the related party transaction would present an improper conflict of interest for any director or executive officer, taking into account the size of the transaction, the overall financial position of the director, executive officer or related party, the direct or indirect nature of the director, executive officer's or related party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the committee deems relevant.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information relating to the beneficial ownership of our common stock as of August 31, 2015, by:

- each person, or group of affiliated persons, known by us to beneficially own more than five percent of the outstanding shares of our 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 dispositive power as well as any shares that the individual has the right to acquire within 60 days of August 31, 2015 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 dispositive power with respect to all shares of common stock held by that person.

Pfizer, an existing stockholder and collaboration partner that is affiliated with one of our directors, has indicated an interest in purchasing up to $5.0 million in shares of our common stock in this offering. In addition, BMS, another of our collaboration partners, has indicated an interest in purchasing up to $10.0 million in shares of our common stock in this offering. In each case, any shares of our common stock purchased by Pfizer or BMS would be purchased at the initial public offering price and on the same terms as the other purchasers in this offering. However, because indications of interest are not binding agreements or commitments to purchase, each of Pfizer and BMS may purchase fewer shares than it indicated an interest in purchasing or not purchase any shares in this offering. Additionally, at our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates, friends, family and related persons. The figures in the table below reflect the purchase of the shares in this offering (based on the assumed initial public offering price of $15.00 per share, the midpoint of the estimated price range set forth on the cover page of this prospectus) by certain of our existing stockholders in the amounts they have indicated an interest in purchasing, but do not reflect the purchase of the shares reserved for sale to our directors, officers, employees, business associates, friends, family and related persons.

The percentage of shares beneficially owned prior to this offering is computed on the basis of 28,258,122 shares of our common stock outstanding as of August 31, 2015, which reflects (i) the conversion of all of the outstanding shares of our convertible preferred stock into an aggregate of 27,135,453 shares of common stock immediately prior to the completion of this offering, as if the conversion had occurred as of August 31, 2015, (ii) the net exercise of all our outstanding warrants to purchase shares of our preferred stock resulting in the issuance of 64,836 shares of our common stock and (iii) the one-for-62.997 reverse stock split. The percentage of shares beneficially owned after this offering is computed on the basis of shares of common stock outstanding immediately after the closing of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our common stock), which reflects the net exercise of warrants into an aggregate of 64,836 shares of common stock immediately prior to this offering. Shares of our common stock that a person has the right to acquire within 60 days of August 31, 2015 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of

computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise noted below, the address of the persons listed on the table is c/o CytomX Therapeutics, Inc., 343 Oyster Point Blvd., Suite 100, South San Francisco, California 94080.

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES OF COMMON STOCK BENEFICIALLY OWNED		PERCENTAGE OF SHARES BENEFICIALLY OWNED	
	BEFORE OFFERING	AFTER OFFERING	BEFORE OFFERING	AFTER OFFERING
5% (or Greater) Stockholders				
Third Rock Ventures, L.P.(1)	8,670,348	8,670,348	30.7%	24.8%
Canaan IX L.P.(2)	4,884,755	4,884,755	17.3%	14.0%
Entities affiliated with Fidelity Management and Research Company(3)	2,461,177	2,461,177	8.7%	7.0%
CytomX Therapeutics Holdings, LLC(4)	2,252,976	2,252,976	8.0%	6.5%
Roche Finance Ltd(5)	1,903,579	1,903,579	6.7%	5.5%
Pfizer Inc.(6)	1,600,938	1,934,271	5.7%	5.5%
Directors and Executive Officers				
Sean A. McCarthy, D. Phil.(7)	736,695	736,695	2.6%	2.1%
Neil Exter(8)	—	—	—	—
Frederick W. Gluck(9)	222,928	222,928	*	*
Hoyoung Huh, M.D., Ph.D.(10)	327,898	327,898	1.1%	*
Elaine V. Jones, Ph.D.(11)	—	—	—	—
Timothy M. Shannon, M.D.(12)	—	—	—	—
Matthew P. Young(13)	—	—	—	—
Henry B. Lowman, Ph.D.(14)	214,528	214,528	*	*
All directors and executive officers as a group (11 persons)(15)	1,559,958	1,559,958	5.3%	4.3%

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

(1) Consists of (a) 8,105,312 shares of common stock issuable upon conversion of Series B-1 redeemable convertible preferred stock and (b) 565,036 shares of common stock issuable upon conversion of Series C redeemable convertible preferred stock. All shares are held directly by Third Rock Ventures, L.P. (“TRV LP”). Each of Third Rock Ventures GP, LP (“TRV GP”), the general partner of TRV LP, and Third Rock Ventures GP, LLC (“TRV LLC”), the general partner of TRV GP, and Mark Levin, Kevin Starr and Robert Tepper, the managers of TRV LLC, may be deemed to share voting and investment power over the shares held by TRV LP. Each of the reporting persons disclaims beneficial ownership of such shares, except to the extent of their proportionate pecuniary interest therein, if any. The address of TRV LP is 29 Newbury Street, Suite 401, Boston, Massachusetts 02116.

(2) Consists of (a) 3,566,337 shares of common stock issuable upon conversion of Series B-1 redeemable convertible preferred stock and (b) 1,318,418 shares of common stock issuable upon conversion of Series C redeemable convertible preferred stock held by Canaan IX L.P. Canaan Partners IX LLC is the general partner of Canaan IX L.P. and may be deemed to have sole investment and voting power over the shares held by Canaan IX L.P. Brenton K. Ahrens, John V. Balen, Stephen M. Bloch, Daniel T. Ciporin, Wende S. Hutton, Maha S. Ibrahim, Deepak Kamra, Warren Lee and Guy M. Russo are the managing members of Canaan Partners IX LLC. Investment, voting and dispositive decisions with respect to the shares held by Canaan IX L.P. are made by the managers of Canaan Partners IX LLC, collectively. Timothy M. Shannon, M.D. is a non-managing member of Canaan Partners IX LLC, the general partner of Canaan IX L.P., and a member of our board of directors. Neither any manager of Canaan Partners IX LLC nor Dr. Shannon has beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of any shares held by Canaan IX L.P. The address of Canaan IX L.P. is 2765 Sand Hill Road, Menlo Park, California 94025.

(3) Consists of (a) 287,485 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Select Portfolios: Biotechnology Portfolio, (b) 64,961 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Advisory Series VII: Fidelity Advisor Biotechnology Fund, (c) 189,110 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Growth Company Commingled Pool, (d) 207,739 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, (e) 794,033 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, (f) 105,499 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Securities Fund: Fidelity Series Small Cap Opportunities Fund—Healthcare Sub, (g) 27,627 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Capital Trust: Fidelity Stock Selector Small Cap Fund—Health Care Sub, (h) 2,584 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Blue Chip Growth Commingled Pool, (i) 137,854 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Securities Fund: Fidelity Series Blue Chip Growth Fund, (j) 378,621 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Securities Fund: Fidelity Blue Chip Growth Fund, (k) 4,032 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity OTC Commingled Pool, (l) 244,269 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Fidelity Securities Fund: Fidelity OTC Portfolio, and (m) 17,363 shares of common stock issuable upon conversion of Series D redeemable convertible preferred stock held by Pyramis Lifecycle Blue Chip Growth Commingled Pool. These accounts are managed by direct or indirect subsidiaries of FMR LLC. Edward C. Johnson 3d is a Director and the Chairman of FMR LLC and Abigail P. Johnson is a Director, the Vice Chairman and the President of FMR LLC. Members of the family of Edward C. Johnson 3d, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company ("FMR Co"), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The business address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.

(4) Consists of (a) 33,101 shares of common stock issuable upon conversion of Series A-1 convertible preferred stock, (b) 211,681 shares of common stock issuable upon conversion of Series A-2 convertible preferred stock, (c) 863,149 shares of common stock issuable upon conversion of Series B-1 redeemable convertible preferred stock, (d) 862,412 shares of common stock issuable upon conversion of Series B-2 redeemable convertible preferred stock and (e) 282,633 shares of common stock issuable upon conversion of Series C redeemable convertible preferred stock. Alan J. Heeger and Gary Wilcox are the managing members of CytomX Therapeutics Holdings, LLC and may be deemed to share voting and investment power over the shares held by CytomX Therapeutics Holdings, LLC. Each of them disclaims beneficial ownership of such shares, except to the extent of their proportionate pecuniary interest therein, if any. The address of CytomX Therapeutics Holdings, LLC is 1421 State Street, Suite B, Santa Barbara, California 93101.

(5) Consists of (a) 1,621,061 shares of common stock issuable upon conversion of Series B-1 redeemable convertible preferred stock and (b) 282,518 shares of common stock issuable upon conversion of Series C redeemable convertible preferred stock. Roche Finance Ltd exercises voting and investment control over the

shares held by it. Roche Finance Ltd is wholly-owned by Roche Holding Ltd. Roche Holding Ltd's American Depository Receipt is cross-listed on OTCQX International Premier under the symbol RHHBY. Roche Holding Ltd's non-voting equity securities and its voting shares are both listed on SIX Swiss Exchange. The address of Roche Finance Ltd is Grenzacherstrasse 122, 4070 Basel, Switzerland.

(6) The number of shares of common stock beneficially owned after this offering assumes that the holder has purchased $5.0 million in shares of common stock, or 333,333 shares of common stock (based on the assumed initial public offering price of $15.00 per share, the midpoint of the estimated price range set forth on the cover page of this prospectus). In the event that the holder does not purchase any shares of common stock in this offering, it will beneficially own 1,600,938 shares of common stock, or approximately 4.6% of the total outstanding common stock, after this offering. The business address for Pfizer Inc. is 235 East 42nd Street, New York, New York 10017.

(7) Consists of (a) 158,737 shares of common stock held by McCarthy Family Trust, of which Sean A. McCarthy and Jeanette J. McCarthy are trustees, and (b) 577,958 shares of common stock issuable upon exercise of stock options that are exercisable as of August 31, 2015 or will become exercisable within 60 days of such date.

(8) Neil Exter is a partner of Third Rock Ventures. Mr. Exter does not have voting or investment power over any of the shares directly held by TRV LP referenced in footnote (1) above. Mr. Exter's business address is 29 Newbury Street, 3rd Floor, Boston, Massachusetts 02116.

(9) Consists of (a) 137,791 shares of common stock held by Frederick W. Gluck, (b) 3,200 shares of common stock held by the spouse of Frederick W. Gluck and (c) 81,937 shares of common stock issuable upon exercise of stock options held by Frederick W. Gluck that are exercisable as of August 31, 2015 or will become exercisable within 60 days of such date. Excludes (i) 20,892,533 membership units in CytomX Therapeutics Holdings, LLC held by Frederick W. Gluck 1997 Family Trust dtd July 28, 1997 (the "Gluck Trust"), of which Frederick W. Gluck is a trustee, and (ii) 1,077,950 membership units in CytomX Therapeutics Holdings, LLC held by Richlin Partners, LLC, an entity owned of record by the spouse of Frederick W. Gluck. Mr. Gluck is not a control person of CytomX Therapeutics Holdings, LLC and is not deemed to have voting or investment power over the shares held by CytomX Therapeutics Holdings, LLC. Mr. Gluck's economic interest in such shares is limited to the pecuniary interests of the Gluck Trust in CytomX Therapeutics Holdings, LLC and his spouse's pecuniary interest in Richlin Partners LLC. The address of Mr. Gluck is 743 San Ysidro Road, Santa Barbara, California 93108.

(10) Consists of 327,898 shares of common stock issuable upon exercise of stock options that are exercisable as of August 31, 2015 or will become exercisable within 60 days of such date.

(11) The business address for Elaine V. Jones, Ph.D. is 235 East 42nd Street, New York, New York 10017.

(12) Timothy M. Shannon, M.D. is a non-managing member of Canaan Partners IX LLC, the general partner of Canaan IX L.P. Dr. Shannon does not have voting or investment power over any of the shares directly held by Canaan IX L.P. referenced in footnote (2) above. Dr. Shannon's business address is 285 Riverside Avenue, Suite 250, Westport, Connecticut 06880.

(13) The business address for Mr. Young is 3180 Porter Drive, Palo Alto, California 94304.

(14) Consists of (a) 109,336 shares of common stock and (b) 105,192 shares of common stock issuable upon exercise of stock options that are exercisable as of August 31, 2015 or will become exercisable within 60 days of such date. Henry B. Lowman, Ph.D. served as our chief scientific officer through September 30, 2014 and served as consultant chief scientific officer through December 31, 2014.

(15) Consists of all shares of common stock held by our directors, four current executive officers and one former executive officer and issuable upon exercise of their stock options that are exercisable as of August 31, 2015 or will become exercisable within 60 days of such date.

DESCRIPTION OF CAPITAL STOCK

Upon the closing of this offering, our authorized capital stock will consist of 75,000,000 shares of common stock, par value $0.00001 per share, and 10,000,000 shares of preferred stock, par value $0.00001 per share.

As of August 31, 2015, we had outstanding 28,258,122 shares of our common stock held of record by 83 stockholders, assuming (i) the conversion of all of our shares of convertible preferred stock into shares of our common stock and (ii) the net exercise of all outstanding warrants to purchase shares of preferred stock resulting in the issuance of 64,836 shares of our common stock and the related reclassification of our preferred stock warrant liability to additional paid-in capital immediately prior to the completion of this offering. Based on the number of shares of common stock outstanding as of August 31, 2015, and assuming the conversion of all outstanding shares of our convertible preferred stock and the net exercise of all outstanding warrants to purchase shares of our preferred stock and the net exercise of all outstanding warrants to purchase shares of preferred stock, there will be 34,924,789 shares of common stock outstanding upon the closing of this offering (35,924,789 shares if the underwriters exercise in full their option to purchase additional shares of common stock).

As of August 31, 2015, there were 5,340,038 shares of common stock subject to outstanding stock options.

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 bylaws, which will become effective upon the closing of this offering, and to the applicable provisions of the Delaware General Corporation Law, as amended. Copies of our amended and restated certificate of incorporation and amended and restated bylaws are filed as exhibits to the registration statement, of which this prospectus forms a part. 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 bylaws as our bylaws.

Common Stock

Voting Rights

Holders of our common stock are entitled to one vote for each share of common stock held of record for the election of directors and on all matters submitted to a vote of stockholders. In the election of directors, a plurality of the votes cast at a meeting of stockholders is sufficient to elect a director. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. In all other matters, except as noted below under “Anti-Takeover Effects of Delaware Law, Our Certificate of Incorporation and Our Bylaws,” a majority vote of common stockholders is generally required to take action under our certificate of incorporation and bylaws.

Dividends

Holders of our common stock are entitled to receive dividends ratably, if any, as may be declared by our board of directors out of legally available funds, subject to any preferential dividend rights of any preferred stock then outstanding.

Liquidation

Upon our dissolution, liquidation or winding up, holders of our common stock are entitled to share ratably in our net assets legally available after the payment of all our debts and other liabilities, subject to the preferential rights of any preferred stock then outstanding.

Other Rights and Preferences

Holders of our common stock have no preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

As of August 31, 2015, there were 33,101 shares of our Series A-1 convertible preferred stock, 211,681 shares of our Series A-2 convertible preferred stock, 14,488,176 shares of our Series B-1 redeemable convertible preferred stock, 862,412 shares of our Series B-2 redeemable convertible preferred stock, 4,049,543 shares of our Series C redeemable convertible preferred stock and 7,490,540 shares of our Series D redeemable convertible preferred stock outstanding, as well as 81,620 shares of our Series B-1 redeemable convertible preferred stock issuable upon exercise of outstanding warrants. Upon the closing of this offering, all outstanding shares of our convertible preferred stock, including any shares of convertible preferred stock issuable upon conversion of our outstanding warrants, will be converted into shares of our common stock on a one-for-one basis.

Upon the closing of this offering, our board of directors will be authorized, without action by the stockholders, to designate and issue up to an aggregate of 10,000,000 shares of preferred stock in one or more series. The board of directors can fix the rights, preferences and privileges of the shares of each series and any of its qualifications, limitations or restrictions. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible future financings and acquisitions and other corporate purposes could, under certain circumstances, have the effect of delaying or preventing a change in control of our company and might harm the market price of our common stock. Upon the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Registration Rights

We are party to an amended and restated investors' rights agreement, dated as of June 12, 2015, pursuant to which certain of our stockholders, including certain holders of five percent or more of our capital stock and entities affiliated with certain of our directors, have the right to demand that we file a registration statement for their shares of our common stock or request that their shares of our common stock be covered by a registration statement that we are otherwise filing, including, in each case, shares of our common stock that were issued upon conversion of convertible preferred stock. These shares are referred to as registrable securities. Such stockholders have agreed not to exercise their registration rights during the lock-up period for this offering. See "Shares Eligible for Future Sale—Lock-Up Agreements."

Demand Registration Rights

At any time after 180 days following the completion of this offering, the holders of at least a majority of the registrable securities have the right to demand that we file, on no more than two occasions, a registration statement on Form S-1 to register all or a portion of their registrable securities, provided that the anticipated aggregate offering price of the registrable securities to be sold under the registration statement on Form S-1 exceeds $30 million, net of underwriting discounts and commissions.

Form S-3 Registration Rights

After the closing of this offering, the holders of at least ten percent of the registrable securities have the right to demand that we file an unlimited number of registration statements on Form S-3 provided that the anticipated aggregate offering price of the registrable securities to be sold under the registration statement on Form S-3 exceeds $5 million, net of underwriting discounts and commissions.

Piggyback Registration Rights

If we propose to register any of our securities under the Securities Act for sale to the public, other than with respect to (i) any employee benefit plan, (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statements related to the issuance or resale of securities issued in such a transaction, (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of registrable securities, or (iv) a registration related to stock issued upon conversion of debt securities, the holders of registrable securities are entitled to receive notice of such registration and to request that we include their registrable securities for resale in the registration statement. The underwriters of the offering will have the right to limit the number of shares to be included in such registration. In connection with this offering, the holders of registrable securities were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering.

Expenses of Registration; Indemnification

We are generally required to bear all registration expenses incurred in connection with any offerings pursuant to the demand, Form S-3 and piggyback registration rights described above, other than underwriting commissions and discounts. The amended and restated investors' rights agreement contains customary indemnification provisions with respect to registration rights.

Termination of Registration Rights

The demand, Form S-3 and piggyback registration rights described above will terminate five years after the closing of this offering. In addition, the registration rights of a holder of registrable securities will expire if all of the holder's registrable securities may be sold without limitation (and without the requirement for us to be in compliance with the current public information requirement) under Rule 144 of the Securities Act.

Anti-Takeover Effects of Delaware Law, Our Certificate of Incorporation and Our Bylaws

Our certificate of incorporation and bylaws will include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Removal of Directors

Our certificate of incorporation and bylaws will provide that subject to any limitations imposed by law and the rights of the holders of any series of our preferred stock, the board of directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of voting stock of our company entitled to vote at an election of directors.

No Written Consent of Stockholders

Our bylaws will provide that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting.

Meetings of Stockholders

Our bylaws will provide that special meetings of stockholders, which our company is not obligated to call more than once per calendar year, may only be called by the chairman of our board of directors, our chief

executive officer, or our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors. In addition, our bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements

Our bylaws will establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures will provide that notice of stockholder proposals must be timely given in writing to our secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the annual meeting for the preceding year. The notice must contain certain information specified in the bylaws. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Amendment to Certificate of Incorporation and Bylaws

Our certificate of incorporation will provide that the affirmative votes of the holders of at least a majority of the voting power of all of the then-outstanding shares of our voting stock will be required to amend certain provisions of our certificate of incorporation, including provisions relating to the size of our board of directors, removal of directors, special meeting of stockholders and actions by written consent. The affirmative votes of the holders of at least a majority of the voting power of all of the then-outstanding shares of our voting stock will be required to amend or repeal our bylaws. In addition, our bylaws may be amended by our board of directors, subject to any limitations set forth in the bylaws.

Blank Check Preferred Stock

Our certificate of incorporation will provide for 10,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of us or our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Section 203 of the Delaware General Corporation Law

Upon the closing of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law, as amended. 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 percent 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, the board of directors of the corporation 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 percent 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 the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least 66 2/3 percent 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 bylaws 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.

Delaware as Sole and Exclusive Forum

Our bylaws will provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by, or otherwise wrongdoing by, any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, as amended, or our certificate of incorporation or bylaws, (iv) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws, or (v) any action asserting a claim against us or any of our directors, officers or employees governed by the internal affairs doctrine.

Listing

We have applied to list our common stock on The NASDAQ Global Market under the trading symbol "CTMX."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare, Inc. The transfer agent and registrar's address is 480 Washington Boulevard, 29th Floor, Jersey City, New Jersey 07130.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. Future sales of substantial numbers of shares of our common stock, including shares issued upon 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 at a time and price we deem appropriate. As described below, substantially all of our stockholders will not be subject to lock-up agreements in connection with this offering. As a result, the only limitations on the salability of these shares will be due to restrictions imposed by Rules 144 or 701 under the Securities Act and a significant number of shares of our common stock will be available for sale in the public market immediately after the completion of this offering.

Sale of Restricted Shares

As of June 30, 2015, based on the number of shares of our common stock then outstanding, upon the closing of this offering and assuming (1) the conversion of all of our outstanding convertible preferred stock into an aggregate of 27,135,453 shares of our common stock upon the closing of this offering, (2) the net exercise of all outstanding warrants to purchase convertible preferred stock resulting in the issuance of an aggregate of 64,836 shares of our common stock upon the closing of this offering, (3) no exercise of the underwriters' option to purchase additional shares of common stock, and (4) no exercise of outstanding options, we would have had outstanding an aggregate of approximately 34,871,154 shares of common stock. 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 additional shares will be freely tradable in the public market without restriction or further registration under 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, based on 28,204,487 shares of our common stock outstanding as of June 30, 2015 assuming the conversion of our preferred stock, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

- beginning on the date of this prospectus, approximately 2,446 shares of our common stock, or 0.01 percent of such total outstanding shares of our common stock as of June 30, 2015, will be immediately available for sale in the public market;
- beginning 90 days after the date of this prospectus, no additional shares of our common stock as of June 30, 2015 will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144 as described below; and
- beginning 180 days after the date of this prospectus, the remainder of the shares of our common stock will be eligible for sale in the public market due to the expiration of the lock-up agreements between our executive officers and the underwriters, provided that the representatives of the underwriters may waive the provisions of these lock-up agreements and allow these stockholders to sell their shares earlier.

Rule 144

In general, under Rule 144 under the Securities Act, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours 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 any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported through The NASDAQ Global Market during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general and subject to the terms of the lock-up agreements, under Rule 701 of the Securities Act, most of our employees, consultants or advisors who purchased shares from us in connection with a qualified compensatory stock plan or other written agreement are eligible to resell those shares 90 days after the date of this prospectus in reliance on Rule 144, but without compliance with the holding period or certain other restrictions contained in Rule 144.

Lock-Up Agreements

We, our directors and executive officers, and substantially all of our stockholders have agreed with the underwriters, subject to specified exceptions, not to, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the “Lock-Up Securities”), or exercise any right with respect to the registration of any of the Lock-up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of common stock or other securities, in cash or otherwise, an intention to do any of the foregoing for a period of 180 days after the date of this prospectus without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC. This restriction terminates after the close of trading of the common stock on and including the 180th day after the date of this prospectus. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC may, in their sole discretion and at any time or from time to time before the termination of the 180-day period release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any person who will execute a lock-up agreement in connection with this offering, providing consent to the sale of shares prior to the expiration of the lock-up period. We have entered into a similar agreement with the representatives of the underwriters, except that we may be permitted to issue shares of our common stock for certain strategic purposes.

Registration Rights

Certain of our stockholders will be entitled to certain rights with respect to the registration of their shares of our common stock under the Securities Act. For a description of the registration rights, see “Description of Capital Stock—Registration Rights,” If these shares are registered, they will be freely tradeable without restriction under the Securities Act.

Performance 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 under our 2010 Stock Incentive Plan and our 2011 Stock Incentive Plan, as well as shares reserved for issuance under our 2015 Equity Incentive Plan and our 2015 Employee Stock Purchase 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 Rule 144 volume limitations and the lock-up agreements described above, if applicable.

MATERIAL U.S. FEDERAL TAX CONSEQUENCES FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a summary of the material U.S. federal income and estate tax consequences relating to the ownership and disposition of our common stock by non-U.S. holders (as defined below) who purchase our common stock in this offering and hold such common stock as capital assets (generally, property held for investment). This discussion is based on currently existing provisions of the Internal Revenue Code of 1986, as amended, applicable U.S. Treasury regulations promulgated thereunder, judicial decisions and rulings and pronouncements of the U.S. Internal Revenue Service (the "IRS") all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or subject to different interpretation. This discussion does not address all the tax consequences that may be relevant to specific holders in light of their particular circumstances or to holders subject to special treatment under U.S. federal income or estate tax laws (such as financial institutions, insurance companies, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, retirement plans, partnerships or entities treated as such for U.S. federal income tax purposes and their partners, dealers in securities, brokers, certain former U.S. citizens or long-term residents or persons who have acquired our common stock as part of a straddle, hedge, conversion transaction or other integrated investment). This discussion does not address the state, local or foreign tax or U.S. federal non-income or estate tax consequences relating to the ownership and disposition of our common stock. You are urged to consult your own tax advisor regarding the U.S. federal tax consequences of owning and disposing of our common stock, as well as the applicability and effect of any state, local or foreign tax laws.

As used in this discussion, the term "non-U.S. holder" refers to a beneficial owner of our common stock that for U.S. federal income tax purposes is not:

- an individual who is a citizen or resident of the United States;
- corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia or otherwise treated as such for U.S. federal income tax purposes;
- an estate the income of which is subject to U.S. federal income tax regardless of the source thereof; or
- a trust (a) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all its substantial decisions or (b) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

An individual may be treated as a resident of the United States, among other ways, if present in the United States on at least 31 days in a calendar year and for an aggregate of at least 183 days during the three-year period ending in that calendar year (counting for such purposes all the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year).

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner of a partnership holding our common stock, we urge you to consult your own tax advisor.

Dividends

We do not intend to pay any cash dividends on our common stock for the foreseeable future. See the section titled "Dividend Policy" elsewhere in this prospectus. If we make a distribution of cash or property, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated

earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce a non-U.S. holder's basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock.

Dividends paid by us to a non-U.S. holder, to the extent treated as dividends for U.S. federal income tax purposes, generally will be subject to U.S. federal withholding tax at a 30 percent rate, unless (i) an applicable income tax treaty reduces or eliminates such tax, and a non-U.S. holder provides us with an IRS Form W-8BEN or W-8BEN-E (or successor form) properly certifying its entitlement to the benefit of such treaty or (ii) the dividends are effectively connected with a non-U.S. holder's conduct of a trade or business in the U.S. and, where a tax treaty so provides, the dividends are attributable to a U.S. permanent establishment of such non-U.S. holder, and the non-U.S. holder provides us with an IRS Form W-8ECI (or successor form). In the latter case, a non-U.S. holder generally will be subject to U.S. federal income tax with respect to such dividends in the same manner as a U.S. person, unless otherwise provided in an applicable income tax treaty. Additionally, a non-U.S. holder that is a corporation may be subject to a branch profits tax on its after-tax effectively connected dividend income at a rate of 30 percent (or at a reduced rate under an applicable income tax treaty). If a non-U.S. holder is eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty, such non-U.S. holder may obtain a refund of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Sale, Exchange or Other Disposition

Generally, and subject to the discussion below under "FATCA Withholding," a non-U.S. holder will not be subject to U.S. federal income tax on gain realized upon the sale, exchange or other disposition of our common stock unless (i) such non-U.S. holder is an individual present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other conditions are met, (ii) the gain is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States and, where a tax treaty so provides, the gain is attributable to a U.S. permanent establishment of such non-U.S. holder or (iii) we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our common stock and either (a) our common stock is not "regularly traded" on an "established securities market" or (b) the non-U.S. holder owns (actually or constructively) more than five percent of our common stock. We believe that we are not a U.S. real property holding corporation, and we do not anticipate becoming a U.S. real property holding corporation.

A non-U.S. holder described in (i) above will be required to pay a flat 30 percent tax (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale, which tax may be offset by U.S. source capital losses. A non-U.S. holder described in (ii) above will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and corporate non-U.S. holders described in (ii) may be subject to the branch profits tax on such gain at a 30 percent rate or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. holders should consult any applicable income tax or other treaties that may provide for different rules.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a non-U.S. holder at the time of his or her death generally will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Information reporting and backup withholding (at the then applicable rate) may apply to certain payments made to a non-U.S. holder on or with respect to our common stock, unless the non-U.S. holder certifies as to its status as a non-U.S. holder under penalties of perjury or otherwise establishes an exemption and certain

other conditions are satisfied. Pursuant to applicable income tax treaties or other agreements, the IRS may also make these information reports available to tax authorities in the non-U.S. holder's country of residence. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder will generally be allowed as a refund or a credit against such non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS and other applicable requirements are satisfied.

FATCA Withholding

The Foreign Account Tax Compliance Act ("FATCA") will impose a U.S. federal withholding tax of 30 percent on certain payments to foreign financial institutions, investment funds and other non-U.S. persons that fail to comply with certain information reporting and certification requirements pertaining to their direct and indirect U.S. securityholders and/or U.S. accountholders. Such payments would include our dividends and the gross proceeds from the sale or other disposition of our common stock. Under Treasury Regulations and applicable administrative guidance, this withholding applies to payments of dividends on our common stock, and will apply to payments of gross proceeds from a sale or other disposition of our common stock made on or after January 1, 2019. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

The preceding discussion of U.S. federal income tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and foreign tax consequences of acquiring, holding and disposing of our common stock, including the consequences of any proposed change in applicable law.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Jefferies LLC and Cowen and Company, LLC (together, the "representatives") are acting as representatives of each of the underwriters named below (collectively, the "underwriters"). Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Jefferies LLC	
Cowen and Company, LLC	
Oppenheimer & Co. Inc.	
Total	6,666,667

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares of our common stock sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

Certain of our collaboration partners, one of whom is an existing stockholder affiliated with one of our directors, have indicated an interest in purchasing an aggregate of up to approximately $15.0 million in shares of our common stock in this offering at the initial public offering price. Any such purchases, if completed, would be made on the same terms as the shares that are sold to the public generally. Whether or not these collaboration partners purchase any or all of the shares for which they indicated an interest in purchasing will not affect the underwriters' commitment to purchase the common shares offered by us if the underwriters purchase any shares.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares of our common stock, subject to prior sale, when, as and if sold to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to the Company	$	$	$

We estimate that the total amount of the expenses payable by us relating to this offering, not including the underwriting discount, are $3.2 million. We have agreed to reimburse the underwriters for certain expenses (including fees of counsel and FINRA-related matters) incurred in connection with this offering up to a maximum of $40,000.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 1,000,000 additional shares of our common stock at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and directors and our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Jefferies LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock;
- sell any option or contract to purchase any common stock;
- purchase any option or contract to sell any common stock;
- grant any option, right or warrant for the sale of any common stock;
- dispose of or transfer any common stock;
- file a registration statement related to the common stock; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

The NASDAQ Global Market Listing

We expect the shares to be approved for listing on The NASDAQ Global Market, subject to notice of issuance, under the symbol “CTMX.”

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on The NASDAQ Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

In the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, some of the underwriters and their affiliates may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They may in the future receive customary fees and commissions for these transactions. As of the date of this prospectus, other than in respect of this offering, we have not been engaged in investment banking or other commercial dealings with the underwriters.

Reserved Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees, business associates, friends, family and related persons. If these persons purchase reserved shares, it will reduce the number of shares available for sale to the general public. Any such purchases, if completed, would be made on the same terms as the shares that are sold to the public generally. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the 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.

Notice to Prospective Investors in the 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 (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"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering.

This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289

of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed on for us by our counsel, Sidley Austin LLP, Palo Alto, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Menlo Park, California.

EXPERTS

The financial statements as of December 31, 2013 and 2014, and for each of the two years in the period ended December 31, 2014, included in this prospectus, have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-1 with the SEC with respect to the registration of the common stock offered for sale by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits to the registration statement. For further information about us, the common stock we are offering by this prospectus and related matters, you should review the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus about the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the registration statement and the exhibits that were filed with the registration statement may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street N.E., Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from the SEC upon payment of the prescribed fee. Information on the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the site is http://www.sec.gov. You may also request copies of these filings, at no cost, by telephone at (650) 515-3185 or by mail to 343 Oyster Point Blvd., Suite 100, South San Francisco, California 94080, Attention: Chief Financial Officer.

Upon completion of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act, and, in accordance with such requirements, we will file periodic reports and other information with the SEC. These periodic reports and other information are available for inspection and copying at the regional offices, public reference facilities and website of the SEC referred to above. We intend to furnish our stockholders with annual reports containing financial statements audited by our independent registered accounting firm. We also maintain a website at www.cytomx.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

CYTOMX THERAPEUTICS, INC.
INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The reverse stock split described in Note 3 to the financial statements has not been consummated at September 28, 2015. When it has been consummated, we will be in a position to furnish the following report.

/s/ PricewaterhouseCoopers LLP
San Jose, California
September 28, 2015

“Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of CytomX Therapeutics, Inc.:

In our opinion, the accompanying balance sheets and the related statements of operations and comprehensive loss, of convertible preferred stock, redeemable convertible preferred stock and stockholders’ equity (deficit) and of cash flows present fairly, in all material respects, the financial position of CytomX Therapeutics, Inc. and its subsidiaries (the “Company”) at December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

San Jose, California
July 24, 2015, except for the effects of the reverse stock split described in Note 3, as to which the date is .”

CYTOMX THERAPEUTICS, INC.

Balance Sheets

(In thousands, except share and per share data)

	December 31, 2013	December 31, 2014	June 30, 2015 (unaudited)	Pro Forma as of June 30, 2015 (unaudited)
Assets				
Current assets:				
Cash and cash equivalents	$ 8,703	$ 64,396	$ 45,842	
Restricted cash	100	100	100	
Short-term investments	—	—	79,527	
Accounts receivable	237	1,875	631	
Prepaid expenses and other current assets	226	482	1,158	
Total current assets	9,266	66,853	127,258	
Property and equipment, net	2,070	3,018	3,499	
Intangible assets	1,750	1,750	1,750	
Goodwill	949	949	949	
Other assets	148	492	633	
Total assets	$ 14,183	$ 73,062	$ 134,089	
Liabilities, Redeemable Convertible Preferred Stock, Convertible Preferred Stock and Stockholders' (Deficit) Equity				
Current liabilities:				
Accounts payable	$ 930	$ 1,919	$ 760	$
Accrued liabilities	1,127	1,695	2,803	
Deferred revenue, current portion	857	6,130	6,130	
Long-term debt, current portion	1,258	1,419	1,245	
Total current liabilities	4,172	11,163	10,938	
Long-term debt, net of current portion	2,945	1,568	1,047	
Deferred revenue, net of current portion	4,643	60,833	57,768	
Convertible preferred stock warrant liability	144	186	503	—
Convertible preferred stock liability	1,290	395	—	
Deferred tax liability	491	499	504	
Other long-term liabilities	59	249	229	
Total liabilities	13,744	74,893	70,989	
Commitments and contingencies (Note 11)				
Redeemable convertible preferred stock, $0.00001 par value—15,806,990, 21,759,654 and 26,972,316 (unaudited) shares authorized at December 31, 2013 and 2014 and June 30, 2015, respectively; 11,995,481, 18,458,289 and 26,890,671 (unaudited) shares issued and outstanding at December 31, 2013 and 2014 and June 30, 2015, respectively; aggregate liquidation preference of $74,143 and $151,740 (unaudited) at December 31, 2014 and June 30, 2015, respectively; no shares issued and outstanding, pro forma (unaudited)	44,244	76,236	155,647	—
Convertible preferred stock, $0.00001 par value—244,782 shares authorized at December 31, 2013 and 2014 and June 30, 2015 (unaudited), respectively; 244,782 shares issued and outstanding at December 31, 2013 and 2014 and June 30, 2015 (unaudited), respectively; aggregate liquidation preference of $2,589 and $2,589 (unaudited) at December 31, 2014 and June 30, 2015, respectively; no shares issued and outstanding, pro forma (unaudited)	474	474	474	—
Stockholders' (deficit) equity:				
Common stock, $0.00001 par value—19,842,214, 28,572,789 and 36,200,000 (unaudited) shares authorized at December 31, 2013 and 2014 and June 30, 2015, respectively; 990,514, 996,520 and 1,004,198 (unaudited) shares issued and outstanding at December 31, 2013 and 2014 and June 30, 2015, respectively; 28,204,487 shares issued and outstanding, pro forma (unaudited)	1	1	1	1
Stockholder notes receivable	(399)	(404)	(407)	(407)
Additional paid-in capital	—	—	—	156,624
Accumulated other comprehensive loss	—	—	(1)	(1)
Accumulated deficit	(43,881)	(78,138)	(92,614)	(92,614)
Total stockholders' (deficit) equity	(44,279)	(78,541)	(93,021)	$ 63,603
Total liabilities, redeemable convertible preferred stock, convertible preferred stock and stockholders' deficit	$ 14,183	$ 73,062	$ 134,089	

The accompanying notes are an integral part of these financial statements.

CYTOMX THERAPEUTICS, INC.

Statements of Operations and Comprehensive Loss

(In thousands, except share and per share data)

	Year Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
Revenue	$ 888	$ 5,077	$ 1,301	$ 3,785
Operating expenses:				
Research and development	10,890	28,302	20,047	9,697
General and administrative	4,954	6,540	2,896	4,498
Total operating expenses	15,844	34,842	22,943	14,195
Loss from operations	(14,956)	(29,765)	(21,642)	(10,410)
Interest income	6	7	3	467
Interest expense	(254)	(487)	(261)	(638)
Other income (expense), net	71	(55)	(34)	(1,431)
Net loss before provision for income taxes	(15,133)	(30,300)	(21,934)	(12,012)
Provision for income taxes	10	10	—	5
Net loss	(15,143)	(30,310)	(21,934)	(12,017)
Accretion to redemption value and cumulative dividends on preferred stock	(3,751)	(4,566)	(2,201)	(3,189)
Net loss attributable to common stockholders	$ (18,894)	$ (34,876)	$ (24,135)	$ (15,206)
Net loss per share attributable to common stockholders, basic and diluted	$ (24.46)	$ (35.25)	$ (25.32)	$ (15.22)
Shares used to compute net loss per share attributable to common stockholders, basic and diluted	772,320	989,453	953,029	998,793
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		$ (1.85)		$ (0.51)
Shares used to compute pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		16,323,315		20,889,395
Other comprehensive loss:				
Changes in unrealized losses on short-term investments	—	—	—	(1)
Total other comprehensive loss	—	—	—	(1)
Comprehensive loss	$ (15,143)	$ (30,310)	$ (21,934)	$ (12,018)

The accompanying notes are an integral part of these financial statements.

CYTOMX THERAPEUTICS, INC.

Statements of Redeemable Convertible Preferred Stock, Convertible Preferred Stock and Stockholders' Deficit

(In thousands, except share data)

	Redeemable Convertible Preferred Stock		Convertible Preferred Stock		Common Stock		Stockholder Notes	Additional Paid-In Capital	Accumulated Other Comprehen-sive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at December 31, 2012	11,995,481	$ 40,493	244,782	$ 474	779,989	$ —	$ (393)	$ —	$ —	$ (25,652)	$ (26,045)
Common stock issued in connection with a license agreement	—	—	—	—	157,332	1	—	198	—	—	199
Exercise of stock options	—	—	—	—	53,193	—	—	60	—	—	60
Interest on stockholder notes	—	—	—	—	—	—	(6)	—	—	—	(6)
Vesting of early exercise stock options	—	—	—	—	—	—	—	64	—	—	64
Stock-based compensation	—	—	—	—	—	—	—	343	—	—	343
Accretion to redemption value and cumulative dividends on preferred stock	—	3,751	—	—	—	—	—	(665)	—	(3,086)	(3,751)
Net loss	—	—	—	—	—	—	—	—	—	(15,143)	(15,143)
Balance at December 31, 2013	11,995,481	44,244	244,782	474	990,514	1	(399)	—	—	(43,881)	(44,279)
Issuance of Series B-1 redeemable convertible preferred stock for cash and value of convertible preferred stock liability of $1,303, net of issuance costs of $33	3,355,107	11,618	—	—	—	—	—	—	—	—	—
Issuance of Series C redeemable convertible preferred stock, net of issuance costs of $298 and preferred stock liability of $395	3,107,701	15,808	—	—	—	—	—	—	—	—	—
Exercise of stock options	—	—	—	—	6,006	—	—	8	—	—	8
Interest on stockholder notes	—	—	—	—	—	—	(5)	—	—	—	(5)
Vesting of early exercise stock options	—	—	—	—	—	—	—	58	—	—	58
Stock-based compensation	—	—	—	—	—	—	—	553	—	—	553
Accretion to redemption value and cumulative dividends on preferred stock	—	4,566	—	—	—	—	—	(619)	—	(3,947)	(4,566)
Net loss	—	—	—	—	—	—	—	—	—	(30,310)	(30,310)
Balance at December 31, 2014	18,458,289	76,236	244,782	474	996,520	1	(404)	—	—	(78,138)	(78,541)
Issuance of Series C redeemable convertible preferred stock, net of issuance costs of $30 (unaudited) and for cash and value of convertible preferred stock liability of $1,509 (unaudited)	941,842	6,478	—	—	—	—	—	—	—	—	—
Issuance of Series D redeemable convertible preferred stock, net of issuance costs of $255 (unaudited)	7,490,540	69,744	—	—	—	—	—	—	—	—	—
Exercise of stock options (unaudited)	—	—	—	—	7,678	—	—	9	—	—	9
Interest on stockholder notes (unaudited)	—	—	—	—	—	—	(3)	—	—	—	(3)
Stock-based compensation (unaudited)	—	—	—	—	—	—	—	721	—	—	721
Accretion to redemption value and cumulative dividends on preferred stock (unaudited)	—	3,189	—	—	—	—	—	(730)	—	(2,459)	(3,189)
Other comprehensive loss (unaudited)	—	—	—	—	—	—	—	—	(1)	—	(1)
Net loss (unaudited)	—	—	—	—	—	—	—	—	—	(12,017)	(12,017)
Balance at June 30, 2015 (unaudited)	26,890,671	$155,647	244,782	$ 474	1,004,198	$ 1	$ (407)	$ —	$ (1)	$ (92,614)	$ (93,021)

The accompanying notes are an integral part of these financial statements.

CYTOMX THERAPEUTICS, INC.

Statements of Cash Flows

(In thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
Cash flows from operating activities				
Net loss	$ (15,143)	$ (30,310)	$(21,934)	$(12,017)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Depreciation and amortization	655	783	366	570
Amortization of debt discount	12	40	20	23
Accretion of marketable securities	—	—	—	435
Issuance of common stock in connection with a license agreement	198	—	—	—
Stock-based compensation expense	343	553	245	721
Change in fair value of convertible preferred stock liability	(110)	13	13	1,114
Change in fair value of convertible preferred stock warrant liability	43	42	21	317
Deferred income taxes	10	8	(1)	5
Loss on disposal of fixed assets	26	—	—	—
Changes in operating assets and liabilities				
Accounts receivable	(237)	(1,638)	(635)	1,244
Prepaid expenses and other current assets	(88)	(261)	(342)	(679)
Other assets	(78)	(344)	(366)	50
Accounts payable	366	660	46	(850)
Accrued liabilities	495	793	135	652
Deferred revenue	5,500	61,463	12,810	(3,065)
Net cash (used in) provided by operating activities	(8,008)	31,802	(9,622)	(11,480)
Cash flows from investing activities				
Purchases of property and equipment	(732)	(1,663)	(511)	(1,049)
Purchases of short-term investments	—	—	—	(89,963)
Maturities of short-term investments	—	—	—	10,000
Net cash used in investing activities	(732)	(1,663)	(511)	(81,012)
Cash flows from financing activities				
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	26,802	10,315	74,680
Proceeds from exercise of stock options	62	8	3	9
Proceeds from issuance of notes payable	3,359	—	—	—
Repayments of notes payable	(724)	(1,256)	(582)	(718)
Payment of deferred offering costs	—	—	—	(33)
Net cash provided by financing activities	2,697	25,554	9,736	73,938
Net (decrease) increase in cash and cash equivalents	(6,043)	55,693	(397)	(18,554)
Cash and cash equivalents, beginning of period	14,746	8,703	8,703	64,396
Cash and cash equivalents, end of period	$ 8,703	$ 64,396	$ 8,306	$ 45,842
Supplemental disclosures of cash flow information:				
Cash paid for interest	$ 228	$ 403	$ 206	$ 159
Supplemental disclosure of noncash investing and financing items:				
Purchases of property and equipment in accounts payable and accrued liabilities	—	68	—	70
Accretion to redemption value and cumulative dividends on preferred stock	3,751	4,566	2,201	3,189
Convertible preferred stock liability recorded in connection with redeemable convertible preferred stock, net	—	908	1,303	1,509
Issuance costs in accounts payable and accrued liabilities	—	284	—	251
Convertible preferred stock warrants issued in connection with debt	82	—	—	—
Common stock issued in connection with a license agreement	198	—	—	—
Deferred offering costs in accounts payable and accrued liabilities	—	—	—	157

The accompanying notes are an integral part of these financial statements.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements

1. Description of Business (conform to Business section)

CytomX Therapeutics, Inc. (the "Company") is an oncology-based biopharmaceutical company focused on developing Probody therapeutics for the treatment of cancer. Probody therapeutics are masked antibodies that remain inert in healthy tissue but are activated specifically in the disease microenvironment. The Company is located in South San Francisco, California and was incorporated in the state of Delaware in September 2010.

2. Liquidity

The accompanying financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities in the normal course of business. Since inception, the Company has incurred recurring net operating losses. As of December 31, 2014 and June 30, 2015 the Company had an accumulated deficit of $78.1 million and $92.6 million (unaudited), respectively, and expects to incur losses for the next several years. Since its inception, the Company has funded its operations primarily with the net proceeds from private placements of convertible preferred stock and proceeds from borrowings. As of December 31, 2014 and June 30, 2015, the Company had cash, cash equivalents and short-term investments of $64.4 million and $125.4 million (unaudited), respectively. In May and June 2015, the Company received aggregate net proceeds of $73.2 million (unaudited) from the issuance of its Series C and Series D redeemable convertible preferred stock.

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company's functional and reporting currency is the U.S. dollar.

Unaudited Interim Consolidated Financial Information

The balance sheet as of June 30, 2015 and the statements of operations and comprehensive loss and cash flows for the six months ended June 30, 2014 and 2015 and the statement of redeemable convertible preferred stock, convertible preferred stock and stockholders' deficit for the six months ended June 30, 2015 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly the Company's financial position as of June 30, 2015 and its results of operations and cash flows for the six months ended June 30, 2014 and 2015. The financial data and the other financial information disclosed in these notes to the financial statements related to the six-month periods are also unaudited. The results of operations for the six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the year ending December 31, 2015 or for any other future annual or interim period.

Unaudited Pro Forma Balance Sheet Information

The unaudited pro forma balance sheet information as of June 30, 2015 is presented as though all of the Company's outstanding shares of redeemable convertible preferred stock and convertible preferred stock have converted and the convertible preferred stock warrants have been net exercised into shares of common stock upon the completion of an initial public offering ("IPO") of the Company's common stock. In addition, the

pro forma balance sheet information assumes the reclassification of the convertible preferred stock liability to stockholders' equity. The unaudited pro forma stockholders' equity does not assume any proceeds from the proposed IPO.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Concentration of Credit Risk and Other Risks and Uncertainties

The Company is subject to a number of risks similar to other biopharmaceutical companies in the early stage, including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of the Company's products, and protection of proprietary technology. If the Company does not successfully obtain regulatory approval, commercialize or partner any of its product candidates, it will be unable to generate revenue from product sales or achieve profitability.

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, short term investments and accounts receivable. Substantially all the Company's cash and cash equivalents are held by one financial institution that management believes is of high credit quality. Such deposits may, at times, exceed federally insured limits.

Customers who represent 10% of more of the Company's total revenue or net accounts receivable balance at each respective balance sheet date are as follows:

	Revenue		Accounts Receivable, net	
	Customer A	Customer B	Customer A	Customer B
Year ended December 31,				
2013	100%	*	100%	*
2014	46%	54%	92%	*
Six months ended June 30,				
2014 (unaudited)	100%	*	100%	*
2015 (unaudited)	22%	78%	43%	57%

* Less than 10%.

All of the Company's customers are located in the United States of America.

Segments

Management has determined that it has one business activity and operates as one operating segment as it only reports financial information on an aggregate basis to its chief executive officer, who is the Company's chief operating decision maker. All long-lived assets are maintained in the United States of America.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less at the date of purchase to be cash equivalents.

Restricted Cash

Restricted cash represents amounts related to the security deposit for the Company's credit card accounts.

Short-term Investments

All investments have been classified as "available-for-sale" and are carried at estimated fair value as determined based upon quoted market prices or pricing models for similar securities. Unrealized gains and losses, if any, are excluded from earnings and are reported as a component of accumulated other comprehensive income (loss). Realized gains and losses and declines in fair value judged to be other than temporary, if any, on available-for-sale securities are included in other income (expense), net. The Company did not identify any of its short-term investments as other-than-temporarily impaired as of June 30, 2015. The Company did not have any investments as of December 31, 2013 or 2014.

Deferred Offering Costs

Deferred offering costs consisted primarily of direct incremental costs related to the Company's proposed initial public offering of its common stock. Approximately $190,000 (unaudited) of deferred offering costs are included in other assets on the Company's balance sheet as of June 30, 2015. Upon completion of the initial public offering contemplated herein, these amounts will be offset against the proceeds of the offering. If the offering is terminated, the deferred offering costs will be expensed.

Property and Equipment, net

Property and equipment are recorded at cost net of accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The useful lives of property and equipment are as follows:

Machinery and equipment	5 years
Computer equipment and software	3 years
Furniture and fixtures	3 years
Leasehold improvements	Shorter of remaining lease term or estimated life of the assets

Certain of the Company's assets have been collateralized pursuant to a Master Loan and Security Agreement (Note 10).

Maintenance and repairs that do not extend the life or improve the asset are expensed when incurred.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of tangible and identifiable intangible net assets acquired in business combinations. Goodwill and other intangible assets with indefinite lives are not amortized, but are assigned to reporting units and tested for impairment annually, or whenever there is an impairment indicator. Intangible assets are comprised of in-process research and development ("IPR&D"). The Company assesses impairment indicators annually or more frequently, if a change in circumstances or the occurrence of events suggests the remaining value may not be recoverable. Intangible assets that are not deemed to have an indefinite life are amortized over their estimated useful lives. There was no impairment of goodwill or intangible assets identified during the years ended December 31, 2013 and 2014 and six months ended June 30, 2015 (unaudited).

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable and prior to any goodwill impairment test. An impairment loss is recognized when the total of estimated undiscounted future cash flows expected to result from the use of the asset (or asset group) and its eventual disposition is less than its carrying amount. Impairment, if any, would be assessed using discounted cash flows or other appropriate measures of fair value. There was no impairment of long-lived assets during the periods presented in these financial statements.

Convertible Preferred Stock Warrant Liability

Freestanding warrants for shares that are contingently redeemable are classified as liabilities on the balance sheet at their estimated fair value because the shares underlying the warrants may obligate the Company to transfer assets to the holders at a future date under certain circumstances such as a deemed liquidation event. The warrants are subject to re-measurement at each balance sheet date and the change in fair value, if any, is included in other income (expense), net. The Company will continue to adjust the liability for changes in fair value until the earlier of (i) exercise or expiration of the warrants, (ii) conversion of the convertible preferred stock warrants into equity classified common stock warrants or (iii) the completion of an IPO, at which time all convertible preferred stock warrants will be net exercised into shares of common stock and the related convertible preferred stock warrant liability will be reclassified to additional paid-in capital.

Convertible Preferred Stock Liability

The obligation to issue additional shares of Series B-1 and Series C redeemable convertible preferred stock at a future date was determined to be a freestanding instrument that should be accounted for as a liability. At initial recognition, the Company recorded the convertible preferred stock liability on the balance sheets at its estimated fair value. The liability is subject to remeasurement at each balance sheet date, with changes in fair value recognized as a component of other income (expense), net. At the time of each funding, the Company remeasures the liability, with the change in fair value recognized as a component of other income (expense), net and then reclassifies the final value associated with the convertible preferred stock liability to the applicable series of redeemable convertible preferred stock.

Comprehensive Loss

Comprehensive loss represents all changes in stockholders' deficit except those resulting from distributions to stockholders. The Company's unrealized losses on short-term investments represent the only component of other comprehensive loss that is excluded from the reported net loss.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Revenue Recognition

The Company recognizes revenue when all of the following criteria are met: persuasive evidence of an arrangement exists; transfer of technology has been completed or services have been rendered; the price to the customer is fixed or determinable and collectability is reasonably assured.

The Company's revenues are primarily derived through its license, research, development and commercialization agreements. The terms of these types of agreements may include (i) licenses to the Company's technology, (ii) research and development services, and (ii) services or obligations in connection with participation in research or steering committees. Payments to the Company under these arrangements typically include one or more of the following: nonrefundable upfront and license fees, research funding, milestone and other contingent payments to the Company for the achievement of defined collaboration objectives and certain preclinical, clinical, regulatory and sales-based events, as well as royalties on sales of any commercialized products.

In arrangements involving the delivery of more than one element, each required deliverable is evaluated to determine whether it qualifies as a separate unit of accounting. The determination is based on whether the deliverable has "standalone value" to the customer. If a deliverable does not qualify as a separate unit of accounting, it is combined with the other applicable undelivered item(s) within the arrangement and these combined deliverables are treated as a single unit of accounting.

The arrangement's consideration that is fixed or determinable is allocated to each separate unit of accounting based on the relative selling price methodology in accordance with the selling price hierarchy, which includes vendor-specific objective evidence ("VSOE") of selling price, if available, or third-party evidence of selling price if VSOE is not available, or the best estimate of selling price, if neither VSOE nor third-party evidence is available.

Payments or reimbursements for the Company's research and development efforts for the arrangements where such efforts are considered as deliverables are recognized as the services are performed and are presented on a gross basis. When upfront payments are received and if there is no discernible pattern of performance and/or objectively measurable performance measures do not exist, the Company recognizes revenue ratably over the associated period of performance.

The Company's collaboration and license agreements may include contingent payments related to specified research, development and regulatory milestones and sales-based milestones. Such payments are typically payable under the collaborations when the collaboration partner claims or selects a target, or initiates or advances a covered product candidate in preclinical or clinical development, upon submission for marketing approval of a covered product with regulatory authorities, upon receipt of actual marketing approvals of a covered product or for additional indications, or upon the first commercial sale of a covered product. Sales-based milestones are typically payable when annual sales of a covered product reach specified levels. Each contingent and milestone payment is evaluated to determine whether it is substantive and at risk to both parties. The Company recognizes any payment that is contingent upon the achievement of a substantive milestone entirely in the period in which the milestone is achieved. Any payments that are contingent upon achievement of a non-substantive milestone are recognized as revenue prospectively, when such payments become due and collectible, over the remaining expected performance period under the arrangement, which is generally the remaining period over which the research and development services are expected to be provided.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Research and Development Expenses

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, payroll taxes, employee benefits, materials, supplies, depreciation on and maintenance of research equipment, the cost of services provided by outside contractors, and the allocated portions of facility costs, such as rent, utilities, insurance, repairs and maintenance, depreciation, and general support services. All costs associated with research and development are expensed as incurred.

Stock-Based Compensation

The Company measures its stock-based awards made to employees based on the estimated fair values of the awards as of the grant date using the Black-Scholes option-pricing model. Stock-based compensation expense is recognized over the requisite service period using the straight-line method and is based on the value of the portion of stock-based payment awards that is ultimately expected to vest. As such, the Company's stock-based compensation is reduced for the estimated forfeitures at the date of grant and revised in subsequent periods if actual forfeitures differ from those estimates.

Stock-based compensation expense for options granted to non-employees as consideration for services received is measured on the date of performance at the fair value of the consideration received or the fair value of the equity instruments issued, using the Black-Scholes option-pricing model, whichever can be more reliably measured. Compensation expense for options granted to non-employees is periodically remeasured as the underlying options vest.

Income Taxes

The Company accounts for income taxes under the liability method which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of the Company's assets and liabilities and their financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards. A valuation allowance is provided against deferred tax assets unless it is more likely than not that they will be realized.

The Company recognizes benefits of uncertain tax positions if it is more likely than not that such positions will be sustained upon examination based solely on their technical merits, as the largest amount of benefit that is more likely than not to be realized upon the ultimate settlement. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of income tax expense or benefit. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Net Loss per Share Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period, without consideration of potentially dilutive securities. Diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders since the effect of potentially dilutive securities is anti-dilutive.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Unaudited Pro Forma Net Loss per Share Attributable to Common Stockholders

In contemplation of an IPO, the Company has presented the unaudited pro forma basic and diluted net loss per share attributable to common stockholders, which has been computed to give effect to the conversion of the redeemable convertible preferred stock and convertible preferred stock into shares of common stock and the net exercise of the preferred stock warrants as of the beginning of the respective period or the date of issuance, if later. In addition, the numerator in the pro forma basic and diluted net loss per common share calculation has been adjusted to remove gains or losses resulting from the remeasurement of the convertible preferred stock warrant liability as the warrants will be net exercised into common stock and the related convertible preferred stock warrant liability will be reclassified to additional paid-in capital upon the completion of an IPO of the Company's common stock.

Reverse Stock Split

In September 2015, the Company's board of directors approved an amended and restated certificate of incorporation effecting a one-for-62.997 reverse stock split of the Company's issued and outstanding shares of common stock, redeemable convertible preferred stock and convertible preferred stock that will be effective prior to the effectiveness of this Registration Statement. The par value and the authorized shares of the common stock, redeemable convertible preferred stock and convertible preferred stock were not adjusted as a result of the reverse split. All issued and outstanding common stock, redeemable convertible preferred stock and convertible preferred stock and per share amounts contained in the accompanying financial statements have been retroactively adjusted to reflect this reverse stock split for all periods presented.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard will be effective for the Company on January 1, 2018, which is the effective date for public companies. Early application is permitted as of January 1, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*. This standard update provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The new guidance is effective for all annual and interim periods ending after December 15, 2016. The Company does not believe that adopting ASU 2014-15 will have a material impact on its financial statements.

4. Fair Value Measurements

The Company records its financial assets and liabilities at fair value. The accounting guidance for fair value provides a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an

asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

- Level I: Inputs which include quoted prices in active markets for identical assets and liabilities.
- Level II: Inputs other than Level I that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level III: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of the Company's financial instruments, including restricted cash, accounts receivable, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities. Based on the borrowing rates available to the Company for debt with similar terms and consideration of default and credit risk using Level II inputs, the carrying value of the Company's long-term debt as of December 31, 2014 and June 30, 2015 approximates its fair value. The Company's financial instruments consist of Level I and II assets and Level III liabilities. Level I assets consist primarily of highly liquid money market funds that are included in restricted cash. The Company's Level II assets include U.S. government securities that are included in cash equivalents and short-term investments. The Company's Level III liabilities include the convertible preferred stock warrant liability and the convertible preferred stock liability. The determination of the fair value of the convertible preferred stock warrant liability is discussed in Note 10. The determination of the fair value of the convertible preferred stock liability is discussed in Note 12.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The following tables set forth the fair value of the Company's financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements (in thousands):

	December 31, 2013			
	Level I	Level II	Level III	Total
Assets				
Money market funds	$ 100	$ —	$ —	$ 100
	$ 100	$ —	$ —	$ 100
Liabilities				
Convertible preferred stock warrant liability	$ —	$ —	$ 144	$ 144
Convertible preferred stock liability	—	—	1,290	1,290
	$ —	$ —	$ 1,434	$ 1,434

	December 31, 2014			
	Level I	Level II	Level III	Total
Assets				
Money market funds	$ 100	$ —	$ —	$ 100
	$ 100	$ —	$ —	$ 100
Liabilities				
Convertible preferred stock warrant liability	$ —	$ —	$ 186	$ 186
Convertible preferred stock liability	—	—	395	395
	$ —	$ —	$ 581	$ 581

	June 30, 2015 (unaudited)			
	Level I	Level II	Level III	Total
Assets				
Money market funds	$40,594	$ —	$ —	$ 40,594
Marketable securities	—	84,529	—	84,529
	$40,594	$84,529	$ —	$125,123
Liabilities				
Convertible preferred stock warrant liability	$ —	$ —	$ 503	$ 503
	$ —	$ —	$ 503	$ 503

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The following table sets forth the changes in the fair value of Level III liabilities (in thousands):

	Convertible Preferred Stock Warrant Liability	Convertible Preferred Stock Liability
Fair value at December 31, 2012	$ 19	$ 1,400
Fair value at issuance	82	—
Change in fair value	43	(110)
Fair value at December 31, 2013	144	1,290
Fair value at issuance	—	395
Change in fair value	42	13
Recognition of fair value upon issuance of redeemable convertible preferred stock	—	(1,303)
Fair value at December 31, 2014	186	395
Change in fair value (unaudited)	317	1,114
Recognition of fair value upon issuance of redeemable convertible preferred stock (unaudited)	—	(1,509)
Fair value at June 30, 2015 (unaudited)	$ 503	$ —

5. Property and Equipment

Property and equipment, net consisted of the following (in thousands):

	December 31		June 30
	2013	2014	2015 (unaudited)
Machinery and equipment	$ 2,841	$ 4,059	$ 4,847
Computer equipment and software	203	315	417
Furniture and fixtures	52	54	54
Leasehold improvements	166	183	649
Construction in progress	17	399	92
	3,279	5,010	6,059
Less: accumulated depreciation and amortization	(1,209)	(1,992)	(2,560)
	$ 2,070	$ 3,018	$ 3,499

Depreciation and amortization expense for the years ended December 31, 2013 and 2014 was $655,000 and $783,000, respectively, and $366,000 (unaudited) and $570,000 (unaudited) for the six months ended June 30, 2014 and 2015, respectively.

6. Goodwill and Intangible Assets

Goodwill and in-process research and development assets result from a series of integrated financing transactions in 2010 that was accounted for as a business combination. The in-process research and development relates to the Company's proprietary Probody technology platform and is accounted for as an indefinite-lived intangible asset until the underlying project is completed or abandoned.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Goodwill and intangible assets consisted of the following (in thousands):

	December 31		June 30
	2013	2014	2015 (unaudited)
Goodwill	$ 949	$ 949	$ 949
In-process research and development	1,750	1,750	1,750

7. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	December 31		June 30
	2013	2014	2015 (unaudited)
Payroll and related expenses	$ 722	$ 859	$ 1,009
Research and clinical expenses	142	276	466
Legal and professional expenses	67	418	1,186
Other accrued expenses	196	142	142
Total	$1,127	$1,695	$ 2,803

8. Research and Collaboration Agreements

Pfizer Inc.

In May 2013, the Company and Pfizer Inc. (“Pfizer”) entered into a Research Collaboration, Option and License Agreement (the “Pfizer Agreement”) to collaborate on the discovery and preclinical research activities related to Probody therapeutics, and Probody drug conjugates (“PDCs”) for research project targets nominated by Pfizer. Pfizer nominated two research targets in 2013 and had the option of nominating two additional research targets. In December 2014, Pfizer selected an additional research target.

The Pfizer Agreement provides Pfizer with an option to acquire an exclusive development and commercialization license for each research project target. Upon exercise of the option, Pfizer (1) will receive an exclusive development and commercialization license for use of the Probody therapeutic during the development, manufacturing and commercialization of the potential product, and (2) will be responsible for the development, manufacturing and commercialization of such potential products.

Pursuant to the Pfizer Agreement, the Company received an upfront payment of $6 million and is entitled to contingent payments of up to an aggregate of $626.5 million as follows: (i) $1.5 million for each of the two additional targets; (ii) up to $12.0 million upon exercise of the license options, (iii) up to $25.0 million from the achievement of development milestones for each research target program, or up to $82.0 million if the maximum of four research targets are selected by Pfizer; and (iv) up to $98.0 million in milestone payments for the first commercial sale in various territories for up to three indications per research target program or up to $249.5 million if the maximum of four research targets are selected and (v) up to $100.0 million in sales milestones payments per research target program, or up to $280.0 million if the maximum of four research targets are selected by Pfizer. The Company is entitled to receive royalties in the mid-single digits to low teens on initial targets and mid-single digit royalties on additional targets from potential future sales of product candidates. The Company will also receive research and development service fees based on a prescribed full-time employee (“FTE”) rate per year that is capped.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

In accordance with ASC 605-25, the Company identified the following deliverables at the inception of the Pfizer Agreement: (1) the research license, (2) the research services and (3) the obligation to participate in the joint research committee. The Company determined that the research license does not have stand-alone value to Pfizer due to specialized nature of the research services to be provided by the Company, and accordingly, this deliverable was combined with the research services and participation in the joint research committee as a single unit of accounting. The Company concluded that, at the inception of the agreement, Pfizer's options to obtain an exclusive development and commercialization license for each research project target do not represent deliverables of the agreement because they are substantive options and do not contain a significant or incremental discount.

The upfront payment of $6.0 million was recorded as deferred revenue and is being recognized on a ratable basis over the estimated performance period of seven years. In December 2014, Pfizer selected an additional target and paid $1.5 million, which was recorded as deferred revenue and will be recognized over the remaining performance period.

The Company recognized revenue of $0.9 million, $2.3 million, $1.3 million (unaudited) and $0.8 million (unaudited) for the year ended December 31, 2013 and 2014 and the six months ended June 30, 2014 and 2015, respectively. As of December 31, 2013 and 2014 and June 30, 2015, deferred revenue relating to the Pfizer Agreement was $5.5 million, $6.1 million and $5.6 million (unaudited), respectively. The amount due from Pfizer under the Agreement was $1.7 million and $0.3 million (unaudited) as of December 31, 2014 and June 30, 2015, respectively.

ImmunoGen, Inc.

In January 2014, the Company and ImmunoGen, Inc. ("ImmunoGen") entered into the Research Collaboration Agreement (the "ImmunoGen Agreement"). The ImmunoGen Agreement provides the Company with the right to use ImmunoGen's Antibody Drug Conjugate ("ADC") technology in combination with the Company's Probody technology to create Probody Drug Conjugates ("PDC") directed at one specified target under a research license, and to subsequently obtain an exclusive, worldwide development and commercialization license to use ImmunoGen's ADC technology to develop and commercialize such PDCs. The Company made no upfront cash payment in connection with the execution of the agreement. Instead, the Company provided ImmunoGen with the rights to CytomX's Probody technology to create PDCs directed at two targets under the research license and to subsequently obtain exclusive, worldwide development and commercialization licenses to develop and commercialize such PDCs. Under the research licenses, the parties have one replacement right for each target, which needs to be made before the third anniversary of the agreement execution.

Under the terms of the agreement, both the Company and ImmunoGen are required to perform research activities on behalf of the other party for no monetary consideration. The research activities for a particular target will last until January 2018 unless they are terminated by one of the parties or when a development and commercialization license is obtained with respect to that target. Each party is solely responsible for the development, manufacturing and commercialization of any products resulting from the exclusive development and commercialization license obtained by such party under the agreement. Each party may be liable to pay annual maintenance fees to the other party if the licensed product candidate covered under each development and commercialization license has not progressed to the clinical stage of development within six years of the exercise of the development and commercialization license.

In consideration for the exclusive development and commercialization license that may be obtained by ImmunoGen, the Company is entitled to receive up to $30.0 million in development and regulatory milestone

payments per the research program target, up to $50.0 million in sales milestone payments per target and royalties in the mid-single digits on the commercial sales of any resulting product. For the development and commercialization license that may be obtained by the Company, ImmunoGen is entitled to receive up to $60.0 million in development and regulatory milestone payments, up to $100.0 million in sales milestone payments and royalties in the mid to high single digits on the commercial sales of any resulting product.

The Company accounted for the ImmunoGen Agreement based on the fair value of the assets and services exchanged. The Company identified the following significant deliverables at the inception of the ImmunoGen Agreement: (1) the research license, (2) the research services, (3) the obligation to participate in the joint research committee, (4) the exclusive research, development and commercialization license and (5) the obligation to provide future technology improvements, when available. The Company determined that the research license, participation in the joint steering committee and the research services do not have stand-alone value from the development and commercialization license and therefore those deliverables were combined into one unit of accounting. The Company considered factors such the limited economic benefits to ImmunoGen if development and commercialization license is not obtained and the lack of sublicensing rights in the research license.

The estimated total fair value of the consideration of $13.2 million was recorded as deferred revenue, of which $13.0 million was allocated to the unit of accounting comprised of the research license, research services, participation in the joint research committee and the development and commercialization license, and $0.2 million was allocated to the future technological improvements. The Company will recognize $13.0 million upon delivery of development and commercialization licenses and will recognize amount allocated to the future technology improvements over the term of the license.

The estimated fair value of assets and services received was also $13.2 million, of which $12.7 million was allocated to the licenses received and was charged to research and development expense, with the remaining amount of $0.5 million was allocated to the research services, joint research committee participation and technology improvements, which will be expensed over the period of services to be provided.

Bristol-Myers Squibb Company

On May 23, 2014, the Company and Bristol-Myers Squibb Company (“BMS”) entered into a Collaboration and License Agreement (the “BMS Agreement”) to discover and develop compounds for use in human therapeutics aimed at multiple immuno-oncology targets using the Company’s Probody technology. The effective date of the BMS Agreement was July 7, 2014.

Under the terms of the BMS Agreement, the Company granted BMS exclusive worldwide rights to develop and commercialize Probody therapeutics for up to four oncology targets. BMS will have additional rights to substitute up to two collaboration targets. Each collaboration target has a two year research term and the two additional targets must be nominated by BMS within five years of the effective date of the BMS Agreement. The research term for each collaboration target can be extended in one year increments up to three times.

Pursuant to the BMS Agreement, the financial consideration from BMS was comprised of an upfront payment of $50.0 million and contingent payments of up to an aggregate of $1,217.0 million as follows: (i) up to $25.0 million for additional targets; (ii) up to $114.0 million in development milestone payments per research target program or up to $456.0 million if the maximum of four research targets are selected; (iii) up to $124.0 million in milestone payments for the first commercial sale in various territories for up to three indications per research target program or up to $496.0 million if the maximum of four research targets are

selected, and (iv) up to $60.0 million in sales milestones payments per research target program or up to $240.0 million if maximum of four research targets are selected. The Company is entitled to royalty payments in the mid to high single digits to low teens from potential future sales. The Company will also receive research and development service fees based on a prescribed FTE rate that is capped.

The BMS Agreement also provides the Company with the right, subject to certain conditions, including approval of the lead underwriter of the IPO, to sell to BMS the Company's common stock upon an IPO by the Company prior to December 31, 2017, at the price per share being offered in an IPO, in the amount not to exceed the lesser of (a) $10.0 million or (b) the dollar amount equal to the IPO share price multiplied by 4.9% of the issued and outstanding shares determined to be outstanding immediately following the closing of the IPO.

The Company identified the following deliverables at the inception of the BMS Agreement: (1) the exclusive research, development and commercialization license ("license"), (2) the research and development services and (3) the obligation to participate in the joint research committee. The Company determined that the license does not have stand-alone value to BMS without the Company's research services and expertise related to the development of the product candidates, and accordingly, it was combined with the research services and participation in the joint research committee as a single unit of accounting.

The Company received an upfront payment of $50.0 million from BMS in July 2014. The upfront payment was recorded as deferred revenue and being recognized on a ratable basis over the estimated performance period of ten years. The Company determined that the remaining contingent payments under the Agreement do not constitute substantive milestones and will not be accounted for under the milestone method of revenue recognition. The events leading to these payments do not meet the definition of a substantive milestone because the achievement of these events solely depends on BMS's performance. Accordingly, any revenue from these contingent payments would be subject to an allocation of arrangement consideration and would be recognized over any remaining period of performance obligations, if any, relating to this arrangement. If there are no remaining performance obligations under the arrangement at the time the contingent payment is triggered, the contingent payment will be recognized as revenue in full upon triggering the event.

During the year ended December 31, 2014 and the six months ended June, 2015, the Company recognized revenue of $2.8 million and $3.0 million (unaudited), respectively, under the BMS Agreement. As of December 31, 2014 and June 30, 2015, deferred revenue relating to the BMS Agreement was $47.6 million and $45.1 million (unaudited), respectively.

9. License Agreement

The Company has an exclusive, worldwide license agreement (the "UC Agreement") with the Regents of the University of California (the "UC Regents") relating to the use of certain patents and technology relating to its core technology, including its therapeutic antibodies. Pursuant to the UC Agreement, the Company is obligated to (i) make royalty payments to the UC Regents on net sales of its products covered under the agreement, subject to annual minimum amounts, (ii) make milestone payments to the UC Regents upon the occurrence of certain events, (iii) make a milestone payment to the UC Regents upon occurrence of an IPO or change of control, and (iv) reimburse the UC Regents for prosecution and maintenance of the licensed patents. If the Company sublicenses its rights under the UC Agreement, it is obligated to pay the UC Regents a percentage of the total gross proceeds received in consideration of the grant of the sublicense, which total amount would be first reduced by the aggregate amount of certain research and development related expenses incurred by the Company.

In 2013, the Company amended the UC Agreement to reduce the amounts due the UC Regents upon receipt by the Company of upfront payments, milestone payments and royalties from sublicensees. In exchange

for this amendment, the Company issued to the UC Regents 157,332 shares of common stock. The UC Agreement, as amended, will remain in effect until the expiration or abandonment of the last to expire of the licensed patents.

In the years ended December 31, 2013 and 2014, the Company paid $540,000 and $500,000 respectively, to the UC Regents under the milestone and minimum annual royalty provisions of the agreement and paid $100,000 and $225,000 (unaudited) to the UC Regents in the six months ended June 30, 2014 and 2015, respectively.

Royalty obligations

The Company has future minimum royalty obligations due under the terms of certain exclusive licensed patent rights. These minimum future obligations are as follows (in thousands):

Year ended December 31,	
2015	$125
2016	150
2017	150
Total minimum royalty obligations	$425

10. Long-term Debt

In May 2012, the Company entered into a Master Loan and Security Agreement (the “Debt Facility”). Under the terms of the agreement, an aggregate of $2.0 million could be drawn down during the initial basic loan term of 42 months. In January and December 2013, the Company amended the Debt Facility to borrow an additional $0.3 million and $3.0 million, respectively, with similar terms. Borrowings under the debt facility bear interest at 11.74% per annum.

The Company’s obligations under the Debt Facility are collateralized by a security interest in substantially all of its assets, excluding its intellectual property and certain other assets. The Debt Facility also contains customary conditions related to borrowing, events of default, and covenants, including covenants limiting the Company’s ability to dispose of assets, undergo a change in control, merge with or acquire other entities, incur debt, incur liens, pay dividends or other distributions to holders of its capital stock, repurchase stock and make investments, in each case subject to certain exceptions. The agreement also allows the lender to call the debt in the event there is a material adverse change in the Company’s business or financial condition. At December 31, 2014 and June 30, 2015, management does not believe that the material adverse change clause will be triggered within the next 12 months, and therefore, the debt is classified as long-term.

In connection with the execution and the amendment of the Debt Facility, the Company issued warrants to the lender to purchase an aggregate of 81,620 shares of the Company’s Series B-1 redeemable convertible preferred stock. The warrants expire at the earlier of (i) the tenth anniversary of issuance, (ii) upon the closing of an IPO of the Company’s common stock, or (iii) the consummation of certain change of control events. The warrants are exercisable in cash at an exercise price of $3.084396 per share or through a cashless exercise provision. Under the cashless exercise provision, the holder may, in lieu of payment of the exercise price in cash, surrender the warrant and receive a net amount of shares based on the fair market value of the Company’s Series B-1 redeemable convertible preferred stock at the time of exercise of the warrant after deducting the aggregate exercise price. If the warrant has not been previously exercised, the cashless exercise provision is

automatically triggered upon expiration if the fair value of the Series B-1 redeemable convertible preferred stock is higher than the exercise price of the warrants. In the event that all of the Company's Series B-1 redeemable convertible preferred stock have been converted into common stock, the warrants will be exercisable for the same number of shares of common stock at the same exercise price.

Upon issuance of the warrants, the Company recorded a preferred stock warrant liability based on its initial fair value estimated using the Black-Scholes model with an offset to debt discount. The debt discount is amortized to interest expense using the effective interest method over the term of the Debt Facility. The warrant liability is subject to remeasurement to fair value at each balance sheet date until the earliest of the exercise or expiration of the convertible preferred stock warrant, and any change in fair value is recognized in other income (expense), net. As of December 31, 2014 and June 30, 2015, the warrants remained outstanding.

Aggregate annual principal payments due on the Debt Facility are as follows (in thousands):

Year Ending December 31:	
2015	$ 1,460
2016	999
2017	591
2018	14
Total	3,064
Less: unamortized balance of debt discount	(77)
Less: current portion, net of discount	(1,419)
Long-term portion, net of discount	$ 1,568

11. Commitments and Contingencies

Operating Lease

The Company leases office and laboratory facilities at its headquarters in South San Francisco, California under a lease agreement that expires in 2019. Rent expense is recognized on a straight-line basis over the term of the lease and accordingly the Company records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability.

The minimum lease payments under this lease are as follows (in thousands):

Year Ending December 31:	
2015	$ 941
2016	926
2017	864
2018	894
2019	76
Total	$3,701

Rent expense during the years ended December 31, 2013 and 2014 was $529,000 and $836,000, respectively and $393,000 (unaudited) and $469,000 (unaudited) for six months ended June 30, 2014 and 2015, respectively.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Legal Proceedings

The Company is subject to claims and assessments from time to time in the ordinary course of business but do not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Indemnifications

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has never incurred material costs to defend lawsuits or settle claims related to these indemnification provisions. The Company has also entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by Delaware corporate law. The Company currently has directors' and officers' insurance.

12. Convertible Preferred Stock

Under the Company's Amended and Restated Certificate of Incorporation, as amended, the Company is authorized to issue two classes of shares: preferred and common stock. The preferred stock is issuable in series, and the Company's Board of Directors is authorized to determine the rights, preferences, and terms of each series.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Convertible preferred stock consisted of the following (in thousands, except share amounts):

	December 31, 2013			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
Series A-1	33,101	33,101	$ 49	$ 250
Series A-2	211,681	211,681	425	2,339
Series B-1	14,944,578	11,133,069	41,944	37,692
Series B-2	862,412	862,412	2,300	2,920
Total	16,051,772	12,240,263	$ 44,718	$ 43,201

	December 31, 2014			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
Series A-1	33,101	33,101	$ 49	$ 250
Series A-2	211,681	211,681	425	2,339
Series B-1	14,944,578	14,488,176	57,695	54,040
Series B-2	862,412	862,412	2,698	3,570
Series C	5,952,664	3,107,701	15,843	16,533
Total	22,004,436	18,703,071	$ 76,710	$ 76,732

	June 30, 2015 (unaudited)			
	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference
Series A-1	33,101	33,101	$ 49	$ 250
Series A-2	211,681	211,681	425	2,339
Series B-1	14,569,803	14,488,176	59,666	55,813
Series B-2	862,412	862,412	2,866	3,676
Series C	4,049,546	4,049,543	23,108	22,250
Series D	7,490,555	7,490,540	70,007	70,001
Total	27,217,098	27,135,453	$ 156,121	$ 154,329

Series B-1 Redeemable Convertible Preferred Stock

On September 22, 2010, the Company executed a Series B-1 Preferred Stock Purchase Agreement ("Series B-1 Agreement") to raise up to an aggregate of $30.0 million of equity capital through the issuance of shares of Series B-1 redeemable convertible preferred stock at $3.084396 per share in two tranches. The first tranche of $10.0 million or 3,242,124 shares was completed upon execution of the Series B-1 Agreement. The Company determined that the obligation to issue additional shares of redeemable convertible preferred stock at a future date was a freestanding instrument and should be accounted as a liability. The preferred stock liability was valued using the option-pricing method, which resulted in an initial fair value of $3.0 million. The second tranche of $20.0 million was split into two subsequent tranches ("Tranche A" and "Tranche B") of $10.0 million or 3,242,124 shares each, based on an amendment of the Series B-1 Agreement in 2011. Tranche A was completed in December 2011.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

On July 26, 2012, the Company executed an extension to the Series B-1 Agreement to raise up to an aggregate of $21.0 million of equity capital through issuance of shares of B-1 preferred stock in two tranches. Tranche B was increased from $10.0 million or 3,242,124 shares to $12.6 million or 4,085,077 shares to new investors, and an additional tranche ("Tranche C") of $8.4 million or 2,723,384 shares to new investors, was added. Tranche B was completed on July 26, 2012 when the Company issued 4,085,077 shares for net proceeds of $12.6 million.

The preferred stock liability for Tranche C was valued using the option-pricing method, which resulted in an initial fair value of $1.7 million. The preferred stock liability was valued at $1.3 million as of December 31, 2013 and the Company recorded a gain of $110,000 to other income (expense), net for the year ended December 31, 2013. On January 31, 2014, Tranche C was completed and the Company issued 2,723,384 shares of Series B-1 redeemable convertible preferred stock for net proceeds of $8.4 million. Immediately prior to the closing of this tranche, the Company remeasured the preferred stock liability to its then fair value and recorded a loss from remeasurement of $13,000 in other income (expense), net. The fair value of the preferred stock liability in the amount of $1.3 million was reclassified to redeemable convertible preferred stock.

Series C Redeemable Convertible Preferred Stock and Second Tranche Option

On December 22, 2014, the Company executed the Series C Preferred Stock Purchase Agreement for the issuance of up to 5,650,369 shares of Series C redeemable convertible preferred stock. In December 2014, the Company issued 3,107,701 shares for net proceeds of $15.8 million and in February 2015, an additional 282,633 shares were issued for net proceeds of $1.5 million.

In connection with the issuance of the Series C redeemable convertible preferred stock in December 2014, the Company granted a second tranche option ("Second Tranche Option") to one of its investors to purchase 659,209 shares of its Series C redeemable convertible preferred stock upon the achievement of certain milestones. At initial recognition, the Company recorded the Second Tranche Option as a derivative liability on the balance sheet at its estimated fair value of $395,000. The fair value of the convertible preferred stock liability at December 31, 2014 and June 30, 2015 was $395,000 and $0 (unaudited), respectively, resulting in the recognition of a loss on remeasurement of $0 and $1.0 million (unaudited), respectively, for the year ended December 31, 2014 and the six months ended June 30, 2015. In May 2015, the Company achieved the relevant milestones and the investor exercised their right to purchase 659,209 shares of Series C convertible redeemable preferred stock for net proceeds of $3.5 million. Immediately prior to the closing of this tranche, the Company remeasured the preferred stock liability to its then fair value and recorded a loss from remeasurement of $1.1 million in other income (expense), net. The fair value of the preferred stock liability in the amount of $1.5 million was reclassified to redeemable convertible preferred stock.

The preferred stock liability related to Series B-1 and Series C redeemable convertible preferred stock was valued using the option-pricing method with the following assumptions:

	Term	Interest Rate	Volatility
July 26, 2012 (upon issuance)	2.6 years	0.32%	66%
December 31, 2013	0.1 years	0.01%	69%
December 31, 2014	0.4 years	0.10%	50%

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Significant provisions of the convertible preferred stock are as follows:

Dividends

Holders of Series B-1, Series B-2, Series C and Series D redeemable convertible preferred stock are entitled to cumulative dividends at the rate of eight percent (8%) of the Series B-1, B-2, C and D original issue price per annum. The Series B-1, Series B-2, Series C and D dividends accrue from day to day, whether or not declared, and are payable only when, as, and if declared by the Company's board of directors.

The Company will not pay dividends on other series of preferred stock, but such preferred stock holders are entitled to receive dividends as if they had been converted to common stock and dividends had been declared for common stock. Since inception, the Company has never declared a dividend.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the holders of Series D redeemable convertible preferred stock are entitled to receive, prior and in preference to the holders of Series C redeemable convertible preferred stock, Series B-2 redeemable convertible preferred stock and Series B-1 redeemable convertible preferred stock (collectively, the "Series B preferred stock"), Series A-2 convertible preferred stock and Series A-1 convertible preferred stock (collectively, the "Series A preferred stock") or common stock, from the assets of Company legally available for distribution, an amount per share equal to the Series D original issue price ($9.345101) plus the Series D accrued but unpaid dividends. If upon a liquidation, dissolution or winding up the Company, the assets of the Company available for distribution to its stockholders are insufficient to pay the holders of the Series D redeemable convertible preferred stock the full amount they are entitled to, they shall share ratably in all assets available for distribution in proportion to the respective amounts which would otherwise be payable to the holders of the Series D redeemable convertible preferred stock.

Upon completion of the distribution to the holders of the Series D redeemable convertible preferred stock, the holders of Series C redeemable convertible preferred stock are entitled to receive, prior and in preference to the holders of Series B-2 redeemable convertible preferred stock and Series B-1 redeemable convertible preferred stock (collectively, the "Series B preferred stock"), Series A-2 convertible preferred stock and Series A-1 convertible preferred stock (collectively, the "Series A preferred stock") or common stock, from the assets of Company legally available for distribution, an amount per share equal to the Series C original issue price ($5.309387) plus the Series C accrued but unpaid dividends. If upon a liquidation, dissolution or winding up the Company, the assets of the Company available for distribution to its stockholders are insufficient to pay the holders of the Series C redeemable convertible preferred stock the full amount they are entitled to, they shall share ratably in all assets available for distribution in proportion to the respective amounts which would otherwise be payable to the holders of the Series C redeemable convertible preferred stock.

Upon completion of the distribution to the holders of the Series C and Series D redeemable convertible preferred stock, the holders of the Series B-1 redeemable convertible preferred stock shall be entitled to receive, prior and in preference to any amount paid or distributed to the holders of Series B-2 redeemable convertible preferred stock, the Series A preferred stock or common stock, from the assets of the Company available for distribution to its stockholders, an amount per share equal to the Series B-1 original issue price ($3.084396) plus the Series B-1 accrued but unpaid dividends. If upon a liquidation, dissolution or winding up the Company, the assets of the Company available for distribution to its stockholders are insufficient, after payment in full of the aggregate Series C liquidation preference amount, to pay the holders of the Series B-1 redeemable convertible

preferred stock the full amount they are entitled to, they shall share ratably in all assets available for distribution in proportion to the respective amounts which would otherwise be payable to the holders of the Series B-1 redeemable convertible preferred stock.

After payment in full of the aggregate to the holders of Series D, Series C and Series B-1 redeemable convertible preferred stock and before any amount is paid or distributed to the holders of Series A preferred stock or common stock, the holders of shares of Series B-2 redeemable convertible preferred stock are entitled to be paid out of the assets of the Company available for distribution to its stockholders, an amount per share equal to the Series B-2 original issue price (3.084396), plus the Series B-2 accrued but unpaid dividends. If upon a liquidation, dissolution or winding up the Company, the assets of the Company available for distribution to its stockholders are insufficient, after payment in full of the aggregate Series D, Series C and Series B-1 liquidation preference amount, to pay the holders of the Series B-2 redeemable convertible preferred stock the full amount they are entitled to, they shall share ratably in all assets available for distribution in proportion to the respective amounts which would otherwise be payable to the holders of the Series B-2 redeemable convertible preferred stock.

After payment in full of the aggregate to the holders of Series D, Series C, Series B preferred stock and before any amount shall be paid or distributed to the holders of common stock, the holders of shares of Series A preferred stock shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, on a pari passu basis, an amount per share equal to original issue price of $7.552521 for Series A-1 and $11.049485 for Series A-2 plus any dividends declared but unpaid on Series A preferred stock.

After the payment in full the aggregate to the holders of Series D, Series C, Series B preferred stock, Series A preferred stock, the remaining assets of the Company available for distribution to its stockholders shall be distributed among the holders of shares of common stock. This will be pro rata based on the number of shares of common stock held by each such holder.

Conversion

Each share of Series A, Series B, Series C and Series D convertible preferred stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance into such number of fully paid and non-assessable shares of common stock as determined by dividing the original issue price for the relevant series of convertible preferred stock ($7.552521 for Series A-1, $11.049485 for Series A-2, $3.084396 for Series B-1 and B-2, $5.309387 for Series C and $9.345101 for Series D) by the applicable conversion price for such series. The initial conversion price per share for each series of preferred stock shall be the original issue price applicable to such series; provided, however, that the conversion price for the preferred stock shall be subject to anti-dilution provisions. The conversion ratio at December 31, 2014 and June 30, 2015 is one-to-one.

Each share of Series A, Series B, and Series C and Series D convertible preferred stock shall automatically be converted into shares of common stock at the conversion rate at the time in effect for such series of preferred stock immediately upon the earlier of (i) the Company’s sale of its common stock in a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, covering the offer and sale of the Company’s common stock resulting in at least $50.0 million of gross proceeds, or (ii) the date and time, or the occurrence of an event, specified by vote or written consent from the holders of a majority of the shares of common stock issuable upon conversion of the shares of convertible preferred stock then outstanding (the “Requisite Investors”), and 60% of the holders of outstanding shares of Series D redeemable preferred stock, voting together as a single class.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Redemption

Shares of Series D, Series C and Series B preferred stock are redeemable by the Company at a per share price equal to the applicable original issue price, plus any Series C, Series B-1 and Series B-2 dividends accrued but unpaid thereon, whether or not declared, in three installments commencing not more than 60 days after receipt by the Company of a written request for redemption from the Requisite Investors at any time on or after June 12, 2020.

In connection with the issuance of Series C redeemable convertible preferred stock on December 22, 2014, the Company amended the redemption terms of the Series B preferred stock, as a result of which the redemption date for Series B preferred stock was changed to December 22, 2019 from July 26, 2017. The redemption date for Series C and Series B preferred stock was changed to June 12, 2020 in connection with the issuance of the Series D redeemable convertible preferred stock in June 2015.

During the years ended December 31, 2013 and 2014 and the six months ended June 30, 2015, the Company accreted $0.8 million, $0.8 million, and $0.3 million (unaudited) respectively, to the redemption value of the preferred stock representing issuance cost, including the convertible preferred stock liability, and $3.0 million, $3.7 million and $2.9 million (unaudited), respectively, to the redemption value of the preferred stock representing cumulative dividends.

Voting Rights

Each holder of outstanding shares of preferred stock is entitled to cast the number of votes equal to the number of whole shares of common stock into which the shares of preferred stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Holders of preferred stock vote together with the holders of common stock as a single class.

The holders of record of the shares of Series B preferred stock, exclusively and as a single class on an as-converted to common stock basis, were originally entitled to elect four out of seven directors under the terms of the initial Series B-1 Agreement. However, in December 2014, in conjunction with the issuance of the Series C shares, the Company amended its certificate of incorporation so that the holders of Series B preferred stock are entitled to elect three members of the Company's board of directors. The holders of shares of Series C preferred stock are entitled to elect one director, the holders of shares of common stock are entitled to elect two directors, and the holders of shares of common stock and preferred stock, voting together on an as-converted to common stock basis, are entitled to elect two directors.

Classification

The Company has classified the convertible preferred stock as mezzanine equity on the balance sheets as the stock is contingently redeemable. Upon the occurrence of certain change in control events that are outside the Company's control, including liquidation, sale or transfer of the Company, holders of the convertible preferred stock can cause redemption for cash.

The Company has classified the redeemable convertible preferred stock as mezzanine equity on the balance sheets as such stock shall be redeemed by the Company after receipt by the Company at any time on or after June 12, 2020 of written notice requesting redemption of such stock from the Requisite Investors, as discussed above. The carrying values of the redeemable convertible preferred stock are adjusted to redemption value over the period from the date of issuance to the earliest redemption date of the redeemable convertible preferred stock using the effective interest rate method.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

13. Common Stock

Common stockholders are entitled to dividends if and when declared by the Board of Directors subject to the prior rights of the preferred stockholders. As of December 31, 2014, no dividends on common stock had been declared by the Board of Directors.

The Company had reserved shares of common stock for issuance, on an as-converted basis, as follows:

	December 31		June 30
	2013	2014	2015 (unaudited)
Convertible preferred stock outstanding	12,240,263	18,703,071	27,135,453
Options issued and outstanding	1,686,490	2,147,872	3,418,010
Convertible preferred stock warrants	81,620	81,620	81,620
Shares available for future stock option grants	776,628	1,896,617	2,603,022
	14,785,001	22,829,180	33,238,105

14. Stock Option Plans

In 2010, the Company adopted its 2010 Stock Incentive Plan (the “2010 Plan”) which provided for the granting of stock options to employees, directors and consultants of the Company. Options granted under the 2010 Plan were either incentive stock options (“ISOs”) or nonqualified stock options (“NSOs”).

In February 2012, the Company adopted its 2011 Stock Incentive Plan (the “2011 Plan”). The 2011 Plan is divided into two separate equity programs, an option and stock appreciation rights grant program and a stock award program. The total number of shares authorized for issuance under the 2011 Plan are 3,389,916 shares and 5,374,137 shares (unaudited) of which 1,896,617 shares and 2,603,022 shares (unaudited) are available for grant at December 31, 2014 and June 30, 2015, respectively. In conjunction with adopting the 2011 Plan, the Company discontinued the 2010 Plan and released the shares reserved and still available under that plan.

Options under the 2011 Plan may be granted for periods of up to ten years. All options issued to date have had a 10-year life. Under the terms of the 2011 Plan, options may be granted at an exercise price not less than the estimated fair value of the shares on the date of grant, as determined by the Company’s board of directors. For employees holding more than 10% of the voting rights of all classes of stock, the exercise price of ISOs and NSOs may not be less than 110% of the estimated fair value of the shares on the date of grant, as determined by the board of directors. To date, options granted generally vest over four years and vest at a rate of 25% upon the first anniversary of the issuance date and 1/48th per month thereafter.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

Activity under the Company's stock option plans is set forth below:

	Options Available for Grant	Options Outstanding			
		Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
			(in thousands)		
Balances at December 31, 2012	1,579,860	940,262	$ 1.197		
Options granted	(810,390)	810,390	1.008		
Options exercised	—	(53,193)	1.134		
Options forfeited	7,158	(7,158)	—		
Retirement of shares under the 2010 Plan	—	(3,811)	1.071		
Balances at December 31, 2013	776,628	1,686,490	1.071	8.5	$ 291
Options authorized	1,587,377	—	—		
Options granted	(697,557)	697,557	1.449		
Options exercised	—	(6,006)	1.260		
Options forfeited	230,169	(230,169)	0.945		
Balances at December 31, 2014	1,896,617	2,147,872	1.197	8.1	$ 767
Options authorized (unaudited)	1,984,221	—	—		
Options granted (unaudited)	(1,290,705)	1,290,705	2.621		
Options exercised (unaudited)	—	(7,678)	1.310		
Options forfeited (unaudited)	12,889	(12,889)	1.405		
Balances at June 30, 2015 (unaudited)	2,603,022	3,418,010	1.751	8.4	
Options Exercisable—December 31, 2014		1,241,209	1.197	7.5	
Options vested and expected to vest—December 31, 2014		2,130,836	1.197	8.1	
Options Exercisable—June 30, 2015 (unaudited)		1,601,565	1.235	7.3	$ 5,189
Options vested and expected to vest—June 30, 2015 (unaudited)		3,396,122	1.751	8.4	$ 9,243

The aggregate intrinsic values of options outstanding, exercisable, vested and expected to vest were calculated as the difference between the exercise price of the options and the estimated fair value of the Company's common stock, as determined by the Board of Directors, as of December 31, 2014 and June 30, 2015.

The aggregate intrinsic value of stock options exercised in the years ended December 31, 2013 and 2014 and the six months ended June 30, 2014 and 2015 was $600, $1,500, $614 (unaudited) and $23 (unaudited). respectively.

The total fair value of options that vested in the years ended December 31, 2013 and 2014, and the six months ended June 30, 2014 and 2015 were $268,000, $410,000, $215,000 (unaudited) and $242,000 (unaudited), respectively.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The following table summarizes information about stock options outstanding and vested by exercise price at December 31, 2014:

	Outstanding		Exercisable
Exercise Price	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Number Exercisable
$0.945	427,329	8.16	214,899
$1.134	661,891	6.59	564,812
$1.260	361,384	8.18	299,106
$1.386	178,072	9.05	81,099
$1.449	269,647	9.34	70,711
$1.512	249,549	9.78	10,582
	2,147,872		1,241,209

The following table summarizes information about stock options outstanding and vested by exercise price at June 30, 2015 (unaudited):

	Outstanding		Exercisable
Exercise Price	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Number Exercisable
$0.945	425,336	7.66	253,632
$1.134	661,891	6.10	639,427
$1.260	357,651	7.56	304,849
$1.386	178,072	8.55	121,649
$1.449	255,520	8.82	139,516
$1.512	249,549	9.28	22,844
$1.575	825,190	9.64	108,656
$4.473	464,801	9.86	10,992
	3,418,010		1,601,565

The options granted in the years ended December 31, 2013 and 2014, and the six months ended June 30, 2014 and 2015 had a weighted average per share grant-date fair value of $0.504, $0.945, $0.882 (unaudited), and $0.586 (unaudited), respectively. At December 31, 2014 and June 30, 2015, the unrecognized compensation expense with respect to options granted to employees was $603,000 and $3.7 million (unaudited), respectively, and is expected to be recognized over 2.3 years and 2.5 years (unaudited), respectively.

Early Exercise of Employee Options

Certain stock options granted under the Plans provide option holders the right to elect to exercise unvested options in exchange for restricted common stock. Such unvested restricted shares are subject to a repurchase right held by the Company at the original issuance price in the event the optionee's service to the Company is terminated either voluntarily or involuntarily. The right usually lapses 25% on the first anniversary of the vesting start date and in 36 equal monthly amounts thereafter. These repurchase terms are considered to be a forfeiture provision. The cash or full recourse notes received from employees for exercise of unvested options is treated as a refundable deposit and is classified as a liability on the balance sheets.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

At December 31, 2013, there were 8,132 unvested restricted shares outstanding and the liability related to unvested shares was $58,500. There were no unvested restricted shares outstanding at December 31, 2014 and June 30, 2015 (unaudited).

15. Stock Based Compensation

Total stock-based compensation expense recognized was as follows (in thousands):

	Year Ended December 31,	
	2013	2014
Research and development	$ 121	$ 195
General and administrative	222	358
Total stock-based compensation expense	$ 343	$ 553

	Six Months Ended June 30,	
	2014	2015
		(unaudited)
Research and development	$ 65	$ 353
General and administrative	180	368
Total stock-based compensation expense	$ 245	$ 721

Employee Stock-Based Compensation

Stock based compensation expense for employees was $317,000 and $459,000 for the years ended December 31, 2013 and 2014, respectively. Stock based compensation expense for employees was $207,000 (unaudited) and $540,000 (unaudited) for the six months ended June 30, 2014 and 2015, respectively.

The Company estimated the fair value of employee stock options using the Black-Scholes valuation model. The fair value of employee stock options is being amortized on a straight-line basis over the requisite service period of the awards. The fair value of employee stock options was estimated using the following assumptions for the year ended December 31, 2013 and 2014:

	Year Ended December 31,	
	2013	2014
Expected volatility	70.8% – 71.7%	66.4% – 71.2%
Risk-free interest rate	0.9% – 1.9%	1.6% – 2.0%
Dividend yield	— %	— %
Expected term (in years)	5.5 – 6.1	5.3 – 6.1

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The fair value of employee stock options was estimated using the following assumptions for the six months ended June 30, 2014 and 2015:

	Six Months Ended June 30,	
	2014	2015
	(unaudited)	
Expected volatility	66.4% –71.2%	62.9% – 65.6%
Risk-free interest rate	1.6% – 2.0%	1.4% – 1.7%
Dividend yield	— %	— %
Expected term (in years)	5.3 – 6.1	5.2 – 6.1

The expected term of stock options represents the period these stock options are expected to remain outstanding and is based on industry peers, as the Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment information to develop reasonable expectations about future exercise patterns and post vesting employment termination behavior. The expected stock price volatility for the Company's stock options was determined by examining the historical volatilities for comparable publicly traded companies within the biotechnology and pharmaceutical industry and using an average of historical volatilities of Company's industry peers as the Company is not a public company. The risk-free rate assumption is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options. The Company has not historically paid any cash dividends and does not anticipate paying any cash dividends in the near term, and, as a result, the expected dividend assumption is based on this history and expectation of dividend payouts.

Forfeiture rates were estimated based on actual employee head count and were immaterial to the financial statements during 2013 and 2014 and for six months ended June 30, 2014 and 2015, respectively.

Non-employee Stock-Based Compensation

Stock-based compensation expense related to stock options granted to non-employees is recognized as the stock options are earned. The Company determined that the estimated fair value of the stock options is more readily measurable than the fair value of the services received. The fair value of stock options granted to non-employees is calculated at each grant date and re-measured at each reporting date using the Black-Scholes option pricing model. The stock-based compensation expense related to a grant will fluctuate as the estimated fair value of the common stock fluctuates over the period from the grant date to the vesting date.

Stock based compensation expense for non-employees was $26,000 and $94,000 for the years ended December 31, 2013 and 2014, respectively, and $38,000 (unaudited) and $181,000 (unaudited) for the six months ended June 30, 2014 and 2015, respectively.

16. Related Party Transactions

Certain employees of Third Rock Ventures, a stockholder of the Company, provides consulting services to the Company. General and administrative expense for these services of $17,000, $46,000, $16,000 and $32,000 were recorded for the years ended December 31, 2013 and 2014, and for the six months ended June 30, 2014 and 2015 (unaudited), respectively. The amounts outstanding and included in accounts payable were $1,000, $17,600 and $23,000 (unaudited) as of December 31, 2013 and 2014 and June 30, 2015, respectively.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The Company has outstanding full recourse loans ("stockholder notes" or "loans") to current and former executive officers. Principal and interest under these loans are due at the earliest of (i) the fifth anniversary of the related note, (ii) the sale of the shares securing the notes, or (iii) thirty days after the termination of services. The principal loan amount and the accrued interest are reported as a deduction from stockholders' deficit on the Company's balance sheets. The remaining balance of these loans was approximately $0.4 million at December 31, 2013 and 2014 and June 30, 2015 (unaudited), respectively. Interest income of $6,000 and $5,000 was recorded in the years ended December 31, 2013 and 2014, respectively. Interest income earned on the loans was insignificant during the six months ended June 30, 2014 and 2015 (unaudited).

17. Income Taxes

The Company derives its income only from the United States. The components of the provision (benefit) for income taxes are as follows (in thousands):

	Year Ended December 31,	
	2013	2014
Current:		
Federal	$ —	$ —
State	1	1
Total current	1	1
Deferred:		
Federal	9	9
State	—	—
Total deferred	9	9
Total provision	$ 10	$ 10

A reconciliation of the Company's effective tax rate to the statutory U.S. federal rate is as follows:

	Year Ended December 31,	
	2013	2014
U.S. federal taxes at statutory rate	34.0%	34.0%
State taxes, net of federal benefit	6.6	1.0
Stock compensation	(0.5)	(0.3)
Foreign rate differential	0.0	0.0
Tax credits	3.3	1.3
Other	(0.9)	(0.1)
Change in valuation allowance	(42.6)	(35.9)
Total	(0.1)%	— %

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

The types of temporary differences that give rise to significant portions of the Company's deferred income tax liabilities are set out below (in thousands):

	Year Ended December 31,	
	2013	2014
Net operating loss carryforwards	$ 13,900	$ 22,484
Research and development credits	1,324	2,009
Intangible—in-process R&D	124	96
Deferred revenue	—	1,579
Accruals and deferred rent	321	276
Stock-based compensation	86	155
Total gross deferred income tax assets	15,755	26,599
Less: valuation allowance	(15,130)	(26,012)
Deferred tax assets, net of valuation allowance	625	587
Fixed assets	(419)	(491)
In-process R&D	(697)	(595)
Deferred tax liabilities	(1,116)	(1,086)
Net deferred income tax liabilities	$ (491)	$ (499)

A valuation allowance has been established for the portion of deferred assets for which realization is not probable. The net change in the total valuation allowance for the years ended December 31, 2013 and 2014 was an increase of $6.7 million and $10.9 million, respectively.

The Company has net operating loss carryforwards for federal and state income tax purposes of approximately $60.4 million and $58.6 million, respectively, as of December 31, 2014 available to reduce future income subject to income taxes. The federal and state net operating loss carryforwards will begin to expire in 2030 if not utilized.

The Company also has federal and state research and development tax credits carryforwards of $1.6 million and $1.6 million, respectively, as of December 31, 2014 available to reduce future income taxes. The federal research and development tax credits will begin to expire in 2030 if not utilized. The state research and development tax credits have no expiration date.

Utilization of net operating loss carryforwards and credits may be subject to an annual limitation due to the ownership change provisions provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. An annual limitation may result in the expiration of net operating losses and credits before utilization. During the second quarter of 2015, the Company issued a new series of convertible preferred stock that in conjunction with other preferred stock issuances may have created an ownership change under these provisions of the Internal Revenue Code of 1986, as amended, and similar state provisions. As of June 30, 2015, utilization of net operating losses and credits are not expected to expire unused in the carryforward period as a result of these recent issuances of convertible preferred shares.

The Company had approximately $3.0 million of unrecognized tax benefits as of December 31, 2014, none of which would affect the Company's effective tax rate if recognized, due to the Company's valuation allowance.

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

A reconciliation of the beginning and ending unrecognized tax benefit amount is as follows (in thousands):

	Year Ended December 31,	
	2013	2014
Balance at the beginning of the year	$ 200	$ 532
Additions based on tax positions related to current year	60	2,473
Adjustment based on submitted prior year tax returns	272	14
Balance at end of the year	$ 532	$ 3,019

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced and reflected as a reduction of the provision for income taxes in the period that such determination is made. Interest and penalties have not been accrued at December 31, 2014 and 2013.

The Company files income tax returns in the United States, including California state jurisdiction. The tax years 2010 to 2014 remains open to U.S. federal and state examination to the extent of the utilization of net operating loss and credit carryovers. As of December 31, 2014, the Company is not under examination by the Internal Revenue Service or any state or foreign tax jurisdiction.

18. Defined Contribution Plan

The Company sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code covering substantially all full-time U.S. employees. Employee contributions are voluntary and are determined on an individual basis subject to the maximum allowable under federal tax regulations. The Company made contributions to the plan of $9,000 and $16,500 for the years ended December 31, 2013 and 2014, respectively. During the six months ended June 30, 2014 and 2015, the Company made contributions to the plan of $9,000 (unaudited) and $18,000 (unaudited), respectively.

19. Net Loss Per Share Attributable to Common Stockholders

The following weighted-average outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented, because including them would have been anti-dilutive:

	Years ended December 31,		Six months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
Redeemable convertible preferred stock (on an as-converted basis)	11,995,481	15,024,251	14,534,831	19,557,617
Convertible preferred stock (on an as-converted basis)	244,782	244,782	244,782	244,782
Options to purchase common stock	1,482,579	1,987,532	1,801,172	2,903,046
Convertible preferred stock warrants	36,559	81,620	81,620	81,620
Total	13,759,401	17,338,185	16,662,405	22,787,065

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

A reconciliation of the numerator and denominator used in the calculation of the basic and diluted net loss per share attributable to common stockholders is as follows (in thousands except share and per share amounts):

	Years ended December 31,		Six months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
Numerator:				
Net loss	$ (15,143)	$ (30,310)	$ (21,934)	$ (12,017)
Add: accretion to redemption value and cumulative dividends on preferred stock	(3,751)	(4,566)	(2,201)	(3,189)
Net loss attributable to common stockholders	(18,894)	(34,876)	(24,135)	(15,206)
Denominator:				
Weighted-average common shares outstanding used to calculate net loss per share attributable to common stockholders, basic and diluted	772,320	989,453	953,029	998,793
Net loss per share attributable to common stockholders, basic and diluted	$ (24.46)	$ (35.25)	$ (25.32)	$ (15.22)

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data) assuming the automatic conversion of the redeemable convertible preferred stock and the convertible preferred stock and the automatic net exercise of the preferred stock warrants, based on the mid-point of the IPO price range of $15.00, upon consummation of a IPO as if such event had occurred as of the beginning of the respective period:

	Year Ended December 31, 2014	Six Months Ended June 30, 2015
		(unaudited)
Numerator:		
Net loss attributable to common stockholders	$ (34,876)	$ (15,206)
Change in fair value of preferred stock liability	13	1,114
Change in fair value of preferred stock warrant liability	42	317
Accretion to redemption value and cumulative dividends on preferred stock	4,566	3,189
Net loss used in calculating pro forma net loss per share attributable to common stockholders, basic and diluted	$ (30,255)	$ (10,586)
Weighted-average shares used to calculate net loss per share attributable to common stockholders, basic and diluted	989,453	998,793
Pro forma adjustment to reflect assumed cashless exercise of preferred stock warrants	64,836	64,836
Pro forma adjustment to reflect assumed conversion of all outstanding shares of preferred stock	15,269,026	19,825,766
Weighted-average shares used to calculate pro forma net loss per share attributable to common stockholders, basic and diluted	16,323,315	20,889,395
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (1.85)	$ (0.51)

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

20. Subsequent Events

On May 20, 2015, an investor exercised its option to purchase 659,209 shares of Series C redeemable convertible preferred stock for proceeds of $3.5 million (see Note 12).

On June 16, 2015 the Company raised an additional $70.0 million in funding through the sale and issuance of 7,490,540 shares of a newly authorized series of preferred stock, Series D redeemable convertible preferred stock, at $9.345101 per share. In connection with the issuance of the Series D redeemable convertible preferred stock, the Company amended and restated its certificate of incorporation and amended the conditions under which all series of the Company's preferred stock would automatically convert into common stock. Based on the revised terms, the Company's convertible preferred stock will automatically convert into common stock upon the earlier of (i) an IPO with gross proceeds of not less than $50.0 million to the Company; or (ii) at the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the outstanding shares of preferred stock, voting together as a single class on as converted basis, and 60% of the holders of outstanding shares of Series D redeemable convertible preferred stock ("Series D Majority Investors"), voting together as a single class. The Company also amended the terms for redemption whereby the Series B, Series C and Series D preferred stock are redeemable in three annual installments commencing not more than 60 days after receipt by the Company of a written request from the Requisite Investors and the Series D Majority Investors at any time on or after June 12, 2020.

Shares of Series D redeemable convertible preferred stock are convertible, at the option of the holder thereof, at any time after the date of issuance into such number of fully paid and non-assessable shares of common stock as determined by dividing the original issue price ($9.345101 per share) by the applicable conversion price. The initial conversion price per share shall be the original issue price subject to anti-dilution provisions. Holders of Series D redeemable convertible preferred stock are entitled to cumulative dividends at a rate of eight percent of the Series D original issue price per annum and such dividends accrue from day to day, whether or not declared. In the event of any liquidation of the Company, Series D stockholders are entitled to receive, in preference to the Series A, Series B and Series C preferred stockholders, an amount per share equal to the original issue price plus any accrued but unpaid dividends.

In September 2015, the Company's board of directors approved an amended and restated certificate of incorporation effecting a one-for-62.997 reverse stock split of the Company's issued and outstanding shares of common stock, redeemable convertible preferred stock and convertible preferred stock that will be effective prior to the effectiveness of this Registration Statement. The par value and the authorized shares of the common stock, redeemable convertible preferred stock and convertible preferred stock were not adjusted as a result of the reverse split. All issued and outstanding common stock, redeemable convertible preferred stock and convertible preferred stock and per share amounts contained in the accompanying financial statements have been retroactively adjusted to reflect this reverse stock split for all periods presented.

The Company has reviewed and evaluated subsequent events that occurred through July 24, 2015, the date the financial statements were available to be issued, and determined that no additional subsequent events had occurred that would require recognition in these financial statements and all material subsequent events that require disclosure have been disclosed.

21. Subsequent Events (unaudited)

In September 2015, the Company's board of directors approved an amended and restated certificate of incorporation effecting a one-for-62.997 reverse stock split of the Company's issued and outstanding shares of

CYTOMX THERAPEUTICS, INC.

Notes to the Financial Statements—(Continued)

common stock, redeemable convertible preferred stock and convertible preferred stock that will be effective prior to the effectiveness of this Registration Statement. The par value and the authorized shares of the common stock, redeemable convertible preferred stock and convertible preferred stock were not adjusted as a result of the reverse split. All issued and outstanding common stock, redeemable convertible preferred stock and convertible preferred stock and per share amounts contained in the accompanying financial statements have been retroactively adjusted to reflect this reverse stock split for all periods presented.

The Company has reviewed and evaluated subsequent events that occurred through August 28, 2015, the date the unaudited interim financial statements were available to be issued, and determined that no additional subsequent events had occurred that would require recognition in these financial statements and all material subsequent events that require disclosure have been disclosed.

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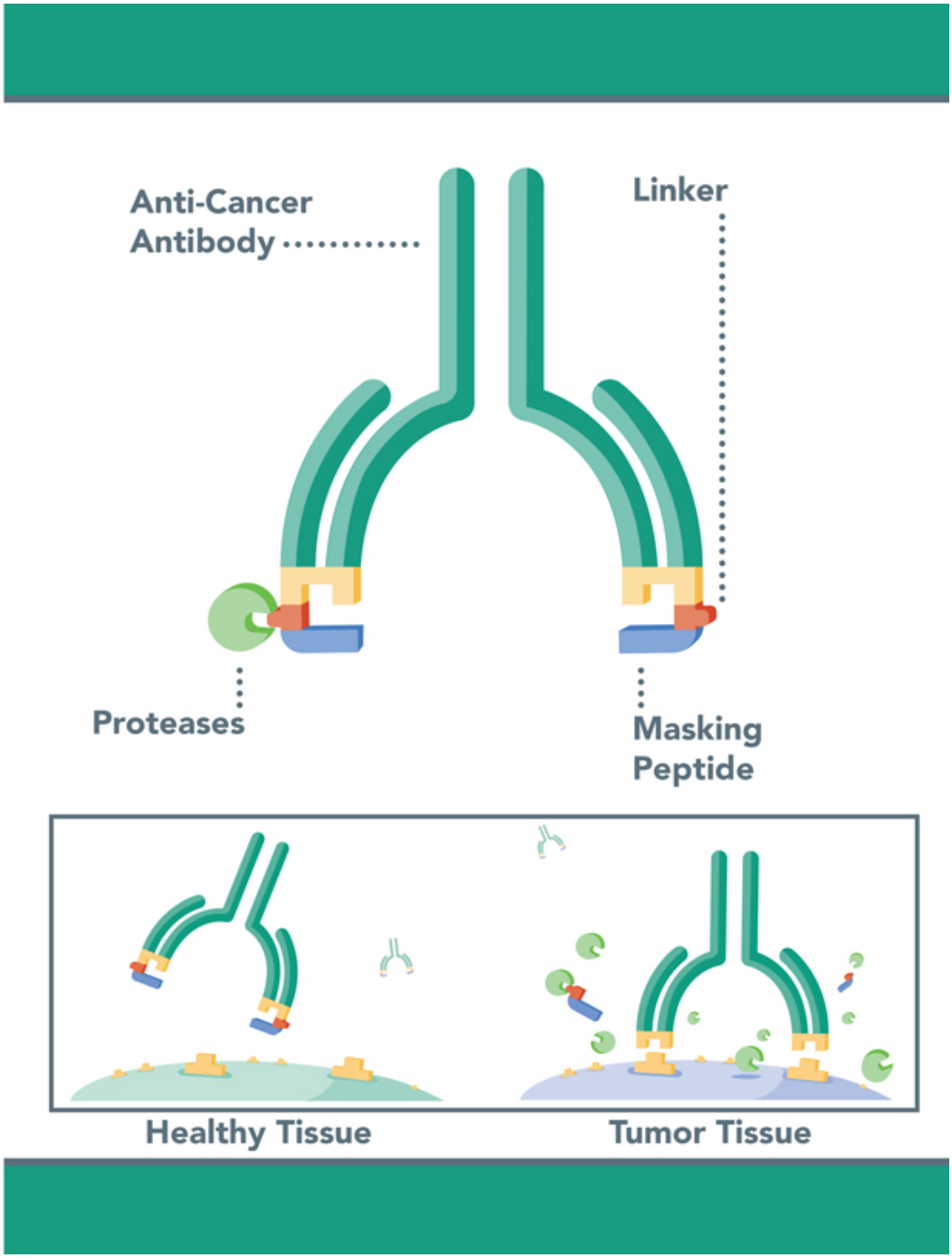

Through and including , 2015 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

6,666,667 Shares

CytomX Therapeutics, Inc.

Common Stock

PROSPECTUS

BofA Merrill Lynch

Jefferies

Cowen and Company

Oppenheimer & Co.

, 2015

PART II INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses to be paid by us, other than estimated underwriting discounts and commissions, in connection with our initial public offering. All amounts shown are estimates except for the Securities and Exchange Commission registration fee and the FINRA filing fee.

	AMOUNT PAID OR TO BE PAID
Securities and Exchange Commission registration fee	$ 14,254
FINRA filing fee	18,900
Initial listing fee	150,000
Printing and engraving expenses	350,000
Legal fees and expenses	1,500,000
Accounting fees and expenses	1,000,000
Transfer agent and registrar fees and expenses	15,000
Miscellaneous expenses (including road show)	151,846
Total	$ 3,200,000

Item 14. Indemnification of Directors and Officers

CytomX Therapeutics, Inc. is incorporated under the laws of the State of Delaware. Reference is made to Section 102(b)(7) of the Delaware General Corporation Law, as amended (the "DGCL"), which enables a corporation in its original certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (1) for any breach of the director's duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends or unlawful stock purchase or redemptions or (4) for any transaction from which the director derived an improper personal benefit.

Section 145(a) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because 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 the person 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 proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit 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, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that, despite the adjudication of liability but

in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses which the adjudicating court shall deem proper.

Section 145(g) of the DGCL provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person 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 the person against such liability under Section 145 of the DGCL.

Our amended and restated certificate of incorporation adopted by us prior to the consummation of this offering (the "charter") will provide that no director of our company shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) in respect of unlawful dividend payments or stock redemptions or repurchases or other distributions pursuant to Section 174 of the DGCL, or (4) for any transaction from which the director derived an improper personal benefit. In addition, our charter will provide that if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of our company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Our charter will further provide that any repeal or modification of such article by our stockholders or an amendment to the DGCL will not adversely affect any right or protection existing at the time of such repeal or modification with respect to any acts or omissions occurring before such repeal or modification of a director serving at the time of such repeal or modification.

Our amended and restated bylaws adopted by us prior to the consummation of this offering (the "bylaws") will provide that we shall indemnify each of our directors and executive officers, and shall have power to indemnify our other officers, employees and agents, to the fullest extent permitted by the DGCL as the same may be amended (except that in the case of an amendment, only to the extent that the amendment permits us to provide broader indemnification rights than the DGCL permitted us to provide prior to such the amendment) against any and all expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by the director, officer or such employee or on the director's, officer's or employee's behalf in connection with any threatened, pending or completed proceeding or any claim, issue or matter therein, to which he or she is or is threatened to be made a party because he or she is or was serving as a director, officer or employee of our company, or at our request as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, 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 our company and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. Our bylaws will further provide for the advancement of expenses to each of our directors and, in the discretion of the board of directors, to certain officers and employees, in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by such person to repay all amounts advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such person is not entitled to be indemnified for such expenses.

In addition, the bylaws will provide that the right of each of our directors and officers to indemnification and advancement of expenses shall be a contract right and shall not be exclusive of any other right now possessed or hereafter acquired under any statute, provision of the charter or bylaws, agreement, vote of stockholders or otherwise. Furthermore, our bylaws will authorize us to provide insurance for our directors, officers, employees, and agents against any liability, whether or not we would have the power to indemnify such person against such liability under the DGCL or the bylaws. Our bylaws will also provide that any indemnification agreement we

enter into with any individual director, officer, employee or agent shall supersede all of the indemnification rights conferred upon such person under our bylaws to the extent so provided in such indemnification agreement.

In connection with the sale of the common stock being registered hereby, we intend to enter into indemnification agreements with each of our directors and our executive officers. These agreements will provide that we will indemnify each of our directors and such officers to the fullest extent permitted by law and the charter and bylaws.

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.

Reference is made to the form of underwriting agreement filed as Exhibit 1.1 hereto for provisions providing that the underwriters are obligated to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

The following lists set forth information regarding all securities sold or granted by us since January 1, 2012, which were not registered under the Securities Act, and the consideration, if any, received by us for such securities.

Issuances of common stock

(1) On November 8, 2013, we issued 157,332 shares of our common stock to The Regents of the University of California (the "UC Regents") as consideration for the reduction in the sublicense fees payable by us to the UC Regents under an exclusive license agreement, as amended and restated, between us and the UC Regents.

Issuances of preferred stock

(2) On July 26, 2012, we issued and sold to three accredited investors an aggregate of 4,085,077 shares of our Series B-1 redeemable convertible preferred stock at a purchase price of $3.084396 per share for an aggregate consideration of $12,599,999.92 redeemable convertible in cash. On August 30, 2012, we issued and sold to one accredited investor 401,637 shares of our Series B-1 preferred stock at a purchase price of $3.084396 for a total consideration of $1,238,807.91 in cash. On October 12, 2012, we issued and sold to one accredited investor 162,106 shares of our Series B-1 redeemable convertible preferred stock at a purchase price of $3.084396 per share for a total consideration of $499,999.97 in cash. On January 31, 2014, we issued to three accredited investors an aggregate of 2,723,384 shares of our Series B-1 redeemable convertible preferred stock at a purchase price of $3.084396 per share for an aggregate consideration of $8,399,999.94 in cash. On April 7, 2014, we issued and sold to two accredited investors 170,211 shares of our Series B-1 redeemable convertible preferred stock at a purchase price of $3.084396 per share for an aggregate consideration of $524,999.95 in cash. On April 24, 2014, we issued and sold to one accredited investor 461,512 shares of our Series B-1 redeemable convertible preferred stock at a purchase price of $3.084396 per share for a total consideration of $1,423,488.40 in cash. Each share of Series B-1 redeemable convertible preferred stock will convert into one share of our common stock upon the closing of this offering.

(3) On December 22, 2014, we issued and sold to four accredited investors an aggregate of 3,107,701 shares of our Series C redeemable convertible preferred stock at a purchase price of $5.309387 per share for an aggregate consideration of $16,499,999.84 in cash. On February 11, 2015, we issued and sold to one accredited investor 282,633 shares of our Series C redeemable convertible preferred stock at a purchase price of $5.309387 per share for a total consideration of $1,500,612.06 in cash. On May 20, 2015, we issued and sold to one accredited

investor 659,209 shares of our Series C redeemable convertible preferred stock at a purchase price of $5.309387 per share for a total consideration of $3,499,999.98 in cash. Each share of Series C redeemable convertible preferred stock will convert into one share of our common stock upon the closing of this offering.

(4) On June 12, 2015, we issued and sold to 32 accredited investors an aggregate of 6,741,485 shares of our Series D redeemable convertible preferred stock at a purchase price of $9.345101 per share for an aggregate consideration of $62,999,999.21 in cash. On June 22, 2015, we issued and sold to one accredited investor 749,055 shares of our Series D redeemable convertible preferred stock at a purchase price of $9.345101 per share for a total consideration of $7,000,000.13 in cash. Each share of Series D redeemable convertible preferred stock will convert into one share of our common stock upon the closing of this offering.

Issuance of warrants

(5) On May 31, 2012, January 31, 2013 and December 20, 2013, we issued three warrants to purchase 30,800, 4,620 and 46,200 shares of our Series B-1 redeemable convertible preferred stock, respectively, to ATEL Ventures, Inc. in connection with the loans provided to us by ATEL Ventures, Inc. Each warrant has an exercise price of $3.084396 per share of our Series B-1 redeemable convertible preferred stock. Upon the closing of this offering, the three warrants will be automatically net exercised into shares of our common stock.

Grants of stock options and issuances of common stock upon exercise of options

(6) Since January 1, 2012, we have granted stock options to purchase an aggregate of 4,996,995 shares of our common stock with exercise prices of $0.945, $1.260, $1.386, $1.449, $1.512, $1.575, $4.473 and $6.615 per share, respectively, to our employees, directors and consultants pursuant to our 2011 stock incentive plan, as amended (the “2011 Plan”). Since January 1, 2012, we have issued an aggregate of 151,679 shares of our common stock upon exercise of stock options granted pursuant to our 2011 Plan and 2010 stock incentive plan, as amended, for an aggregate consideration of $186,430.07 in cash.

We deemed the offers, sales and issuances of the securities described in paragraphs (1) through (5) above to be exempt from registration under the Securities Act, in reliance on Section 4(2) of the Securities Act, including Regulation D and Rule 506 promulgated thereunder, relative to transactions by an issuer not involving a public offering. All purchasers of securities in transactions exempt from registration pursuant to Regulation D represented to us that they were accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

We deemed the grants of stock options and issuances of common stock upon exercise of stock options described in paragraph (6) above, except to the extent described above as exempt pursuant to Section 4(2) of the Securities Act, to be exempt from registration under the Securities Act in reliance on Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. The certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits.

(a) See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Amendment No. 3 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in South San Francisco, State of California on September 28, 2015.

CYTOMX THERAPEUTICS, INC.

By: /s/ Sean A. McCarthy
Name: Sean A. McCarthy
Title: President and Chief Executive Officer

SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 3 to the registration statement has been signed by the following persons in the capacities indicated on the date indicated:

SIGNATURE		DATE
/s/ Sean A. McCarthy Sean A. McCarthy, D. Phil.	President, Chief Executive Officer and Director *(principal executive officer)*	September 28, 2015
/s/ Robert C. Goeltz Robert C. Goeltz II	Chief Financial Officer *(principal financial officer and principal accounting officer)*	September 28, 2015
* Hoyoung Huh, M.D., Ph.D.	Chairman of the Board	September 28, 2015
* Neil Exter	Director	September 28, 2015
* Frederick W. Gluck	Director	September 28, 2015
* Elaine V. Jones, Ph.D.	Director	September 28, 2015
* Timothy M. Shannon, M.D.	Director	September 28, 2015
* Matthew P. Young	Director	September 28, 2015

* By: /s/ Sean A. McCarthy
Attorney-in-Fact

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EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
1.1	Form of Underwriting Agreement.
3.1**	Amended and Restated Certificate of Incorporation, as currently in effect.
3.2**	Amended and Restated Bylaws, as currently in effect.
3.3	Form of Amended and Restated Certificate of Incorporation, effecting a stock split, to be in effect prior to the effectiveness of this registration statement.
3.4	Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the completion of this offering.
3.5	Form of Amended and Restated Bylaws, to be in effect immediately prior to the completion of this offering.
4.1	Specimen Common Stock Certificate.
4.2**	Amended and Restated Investors' Rights Agreement dated as of June 12, 2015, by and among CytomX Therapeutics, Inc. and the investors named therein.
4.3**	Warrant to Purchase Preferred Stock dated as of May 31, 2012, by and between ATEL Ventures, Inc., as Trustee, and CytomX Therapeutics, Inc.
4.4**	Warrant to Purchase Preferred Stock dated as of January 31, 2013, by and between ATEL Ventures, Inc., as Trustee, and CytomX Therapeutics, Inc.
4.5**	Warrant to Purchase Preferred Stock dated as of December 20, 2013, by and between ATEL Ventures, Inc., as Trustee, and CytomX Therapeutics, Inc.
5.1	Opinion of Sidley Austin LLP.
10.1**+	2011 Stock Incentive Plan, adopted on February 7, 2012, as amended the ("2011 Plan").
10.2**+	Form of Restricted Stock Award Agreement and Option Exercise Agreement under the 2011 Plan.
10.3**+	2010 Stock Incentive Plan adopted on September 21, 2010 the ("2010 Plan").
10.4**+	Form of Stock Option Agreement under the 2010 Plan.
10.5+	Form of 2015 Equity Incentive Plan, to be in effect immediately prior to the effectiveness of this registration statement.
10.6+	2015 CytomX Therapeutics, Inc. Employee Stock Purchase Plan, to be in effect upon the completion of this offering.
10.7**+	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Sean A. McCarthy, D. Phil, dated as of December 15, 2010.
10.8**+	Severance and Change of Control Agreement, by and between CytomX Therapeutics, Inc. and Sean A. McCarthy, D. Phil, dated as of April 1, 2015.
10.9**+	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Bob Goeltz, dated as of March 19, 2015.
10.10**+	Severance and Change of Control Agreement, by and between CytomX Therapeutics, Inc. and Bob Goeltz, dated as of May 11, 2015.
10.11**+	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and W. Michael Kavanaugh, M.D., dated as of December 13, 2014.
10.12**+	Severance and Change of Control Agreement, by and between CytomX Therapeutics, Inc. and Michael Kavanaugh, dated as of April 1, 2015.
10.13**+	Employment Offer Letter Agreement between CytomX Therapeutics, Inc. and Cynthia J. Ladd, dated as of May 1, 2015.

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.14**+	Severance and Change of Control Agreement, by and between CytomX Therapeutics, Inc. and Cynthia Ladd, dated as of June 15, 2015.
10.15+	Separation Agreement and General Release of Terms, by and between Henry B. Lowman, Ph.D. and CytomX Therapeutics, Inc., dated as of September 30, 2014.
10.16**+	Form of Indemnification Agreement by and between CytomX Therapeutics, Inc. and each of its directors.
10.17†	Research Collaboration Agreement dated as of January 8, 2014, by and between ImmunoGen, Inc. and CytomX Therapeutics, Inc., as amended by the First Amendment to Research Collaboration Agreement effective as of April 3, 2015.
10.18†	Collaboration and License Agreement dated as of May 23, 2014, by and between CytomX Therapeutics, Inc. and Bristol-Myers Squibb Company.
10.19†	Research Collaboration, Option and License Agreement dated as of May 30, 2013, by and between Pfizer, Inc. and CytomX Therapeutics, Inc.
10.20**	Lease Agreement dated as of March 29, 2013, by and between ARE-Technology Center SSF, LLC and CytomX Therapeutics, Inc.
10.21**	Exclusive Licence Agreement dated as of August 19, 2010, by and between The Regents of the University of California and CytomX Therapeutics, Inc., as amended by Amendment No. 1 to Exclusive Agreement effective as of May 30, 2013 and Amendment No. 2 to Exclusive Agreement effective as of November 8, 2013.
23.1	Consent of Independent Registered Public Accounting Firm.
23.2	Consent of Sidley Austin LLP (included in Exhibit 5.1).
24.1**	Power of Attorney.
24.2	Power of Attorney.

** Previously filed.
+ Indicates a management contract or compensatory plan.
† Portions of this exhibit have been omitted pursuant to a request for confidential treatment, and omitted portions have been filed separately with the Securities and Exchange Commission.

Exhibit 1.1

CYTOMX THERAPEUTICS, INC.

(a Delaware corporation)

Shares of Common Stock

UNDERWRITING AGREEMENT

Dated: , 2015

CYTOMX THERAPEUTICS, INC.

(a Delaware corporation)

Shares of Common Stock

UNDERWRITING AGREEMENT

, 2015

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Jefferies LLC
Cowen and Company, LLC
as Representatives of the several Underwriters
c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

c/o Jefferies LLC
520 Madison Avenue
New York, New York 10022

c/o Cowen and Company, LLC
599 Lexington Avenue, 27th Floor
New York, New York 10022

Ladies and Gentlemen:

CytomX Therapeutics, Inc., a Delaware corporation (the "Company"), confirms its agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Jefferies LLC ("Jefferies") and Cowen and Company, LLC ("Cowen") and each of the other Underwriters named in Schedule A hereto (collectively, the "Underwriters," which term shall also include any underwriter substituted as hereinafter provided in Section 10 hereof), for whom Merrill Lynch, Jefferies and Cowen are acting as representatives (in such capacity, the "Representatives"), with respect to (i) the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective numbers of shares of Common Stock, par value $0.0001 per share, of the Company ("Common Stock") set forth in Schedule A hereto and (ii) the grant by the Company to the Underwriters, acting severally and not jointly, of the option described in Section 2(b) hereof to purchase all or any part of additional shares of Common Stock. The aforesaid shares of Common Stock (the "Initial Securities") to be purchased by the Underwriters and all or any part of the shares of Common Stock subject to the option described in Section 2(b) hereof (the "Option Securities") are herein called, collectively, the "Securities."

The Company understands that the Underwriters propose to make a public offering of the Securities as soon as the Representatives deem advisable after this Agreement has been executed and delivered.

The Company and the Underwriters agree that up to 5% of the Initial Securities to be purchased by the Underwriters (the "Reserved Securities") shall be reserved for sale by the Underwriters to certain persons designated by the Company (the "Invitees"), as part of the distribution of the Securities by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority, Inc. ("FINRA") and all other applicable laws, rules and regulations. The Company solely determined, without any direct or indirect participation by the Underwriters, the Invitees who will purchase Reserved Securities (including the amount to be purchased by such persons) sold by the Underwriters. To the extent that such Reserved Securities are not orally confirmed for purchase by Invitees by 7:00 A.M., New York City time, on the first business day after the date of this Agreement, such Reserved Securities may be offered to the public as part of the public offering contemplated hereby.

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (No. 333-206658), including the related preliminary prospectus or prospectuses, covering the registration of the sale of the Securities under the Securities Act of 1933, as amended (the "1933 Act"). Promptly after execution and delivery of this Agreement, the Company will prepare and file a prospectus in accordance with the provisions of Rule 430A ("Rule 430A") of the rules and regulations of the Commission under the 1933 Act (the "1933 Act Regulations") and Rule 424(b) ("Rule 424(b)") of the 1933 Act Regulations. The information included in such prospectus that was omitted from such registration statement at the time it became effective but that is deemed to be part of such registration statement at the time it became effective pursuant to Rule 430A(b) is herein called the "Rule 430A Information." Such registration statement, including the amendments thereto, the exhibits thereto and any schedules thereto at the time it became effective, and including the Rule 430A Information, is herein called the "Registration Statement." Any registration statement filed pursuant to Rule 462(b) of the 1933 Act Regulations is herein called the "Rule 462(b) Registration Statement" and, after any such filing, the term "Registration Statement" shall be deemed to include the Rule 462(b) Registration Statement. Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "preliminary prospectus." The final prospectus, in the form first furnished to the Underwriters for use in connection with the offering of the Securities, is herein called the "Prospectus." For purposes of this Agreement, all references to the Registration Statement, any preliminary prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system or any successor system ("EDGAR").

As used in this Agreement:

"Applicable Time" means , New York City time, on , 2015 or such other time as agreed by the Company and the Representatives.

"General Disclosure Package" means any Issuer General Use Free Writing Prospectuses issued at or prior to the Applicable Time, the most recent preliminary prospectus that is distributed to investors prior to the Applicable Time and the information included on Schedule B-1 hereto, all considered together.

"Issuer Free Writing Prospectus" means any "issuer free writing prospectus," as defined in Rule 433 of the 1933 Act Regulations ("Rule 433"), including without limitation any "free writing prospectus" (as defined in Rule 405 of the 1933 Act Regulations ("Rule 405")) relating to the Securities that is (i) required to be filed with the Commission by the Company, (ii) a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission

pursuant to Rule 433(d)(5)(i) because it contains a description of the Securities or of the offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"Issuer General Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a "*bona fide* electronic road show," as defined in Rule 433 (the "Bona Fide Electronic Road Show")), as evidenced by its being specified in Schedule B-2 hereto.

"Issuer Limited Use Free Writing Prospectus" means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

"Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the 1933 Act.

"Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the 1933 Act and shall include any written material presented by the Company to potential investors in connection with a Testing-the-Water Communication.

SECTION 1. Representations and Warranties.

(a) *Representations and Warranties by the Company*. The Company represents and warrants to each Underwriter as of the date hereof, the Applicable Time, the Closing Time (as defined below) and any Date of Delivery (as defined below), and agrees with each Underwriter, as follows:

(i) Registration Statement and Prospectuses. Each of the Registration Statement and any amendment thereto has become effective under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated by the Commission. The Company has complied with each request (if any) from the Commission for additional information.

Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus, the Prospectus and any amendment or supplement thereto, at the time each was filed with the Commission, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations. Each preliminary prospectus delivered to the Underwriters for use in connection with this offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Accurate Disclosure. Neither the Registration Statement nor any amendment thereto, at its effective time, at the Closing Time or at any Date of Delivery, contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. As of the Applicable Time, none of (A) the General Disclosure Package, (B) any individual Issuer Limited Use Free Writing Prospectus, when considered together with the

General Disclosure Package and (C) and individual Written Testing-the-Waters Communication, when considered together with the General Disclosure Package, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Time or at any Date of Delivery, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement (or any amendment thereto), the General Disclosure Package or the Prospectus (or any amendment or supplement thereto) made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein. For purposes of this Agreement, the only information so furnished shall be the information in the first paragraph under the heading "Underwriting–Commissions and Discounts," the information in the second, third and fourth paragraphs under the heading "Underwriting–Price Stabilization, Short Positions and Penalty Bids" and the information under the heading "Underwriting–Electronic Distribution" in each case contained in the Prospectus (collectively, the "Underwriter Information").

(iii) Issuer Free Writing Prospectuses. No Issuer Free Writing Prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified. The representations and warranties in this subsection shall not apply to statements in or omissions from any Issuer Free Writing Prospectus made in reliance upon and in conformity with Underwriter Information. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) such that no filing of any "road show" (as defined in Rule 433(h)) is required in connection with the offering of the Securities.

(iv) Testing-the-Waters Materials. The Company (A) has not engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the 1933 Act or institutions that are accredited investors within the meaning of Rule 501 under the 1933 Act and (B) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not presented to potential investors any Written Testing-the-Waters Communications other than those listed on Schedule B-3 hereto.

(v) Company Not Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

(vi) Emerging Growth Company Status. From the time of the initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which

the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the 1933 Act (an "Emerging Growth Company").

(vii) Independent Accountants. The accountants who certified the financial statements and supporting schedules included in the Registration Statement, the General Disclosure Package and the Prospectus are independent public accountants with respect to the Company as required by the 1933 Act, the 1933 Act Regulations and the Public Company Accounting Oversight Board.

(viii) Financial Statements. The balance sheets and related statements of operations and comprehensive loss, of redeemable convertible preferred stock, convertible preferred stock and stockholders' deficit, and of cash flows included in the Registration Statement, the General Disclosure Package and the Prospectus, together with the related schedules and notes, present fairly, in all material respects, the financial position of the Company at the dates indicated and the results of operations and cash flows of the Company and for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved, except, in the case of unaudited financial statements, subject to normal year-end audit adjustments and the exclusion of certain footnotes as permitted by applicable rules of the Commission. The supporting schedules, if any, present fairly in accordance with GAAP in all material respects the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the General Disclosure Package and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement, the General Disclosure Package or the Prospectus under the 1933 Act or the 1933 Act Regulations.

(ix) No Material Adverse Change in Business. Except as otherwise stated therein, since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business operations or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (a "Material Adverse Effect"), (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(x) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement, the General Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not reasonably be expected to result in a Material Adverse Effect.

(xi) Subsidiaries. The Company has no subsidiaries.

(xii) Capitalization. The authorized, issued and outstanding shares of capital stock of the Company are as set forth in the Registration Statement, the General Disclosure Package and the Prospectus in the column entitled "Actual" under the caption "Capitalization" (except for subsequent issuances, if any, pursuant to this Agreement, pursuant to reservations, agreements or employee benefit plans referred to in the Registration Statement, the General Disclosure Package and the Prospectus or pursuant to the exercise of convertible securities, warrants or options referred to in the Registration Statement, the General Disclosure Package and the Prospectus). The outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable. None of the outstanding shares of capital stock of the Company were issued in violation of the preemptive or other similar rights of any securityholder of the Company.

(xiii) Authorization of Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(xiv) Authorization and Description of Securities. The Securities to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale to the Underwriters pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement against payment of the consideration set forth herein, will be validly issued and fully paid and non-assessable; and the issuance of the Securities is not subject to the preemptive or other similar rights of any securityholder of the Company. The Common Stock conforms to all statements relating thereto contained in the Registration Statement, the General Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same.

(xv) Registration Rights. There are no persons with registration rights or other similar rights to have any securities registered for sale pursuant to the Registration Statement or otherwise registered for sale or sold by the Company under the 1933 Act pursuant to this Agreement, other than those rights that have been disclosed in the Registration Statement, the General Disclosure Package and the Prospectus.

(xvi) Absence of Violations, Defaults and Conflicts. The Company is not (A) in violation of its charter, by-laws or similar organizational document, (B) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company is a party or by which it is bound or to which any of the properties or assets of the Company is subject (collectively, "Agreements and Instruments"), except for such defaults that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect, or (C) in violation of any law, statute, rule, regulation, judgment, order, writ or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency having jurisdiction over the Company or any of its properties, assets or operations (each, a "Governmental Entity"), except for such violations that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Registration Statement, the General Disclosure Package and the Prospectus (including the issuance and sale of the Securities and the use of the proceeds from the sale of the Securities as described therein under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien,

charge or encumbrance upon any properties or assets of the Company pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Repayment Events or liens, charges or encumbrances that would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect), nor will such action result in any violation of (A) the provisions of the charter, by-laws or similar organizational document of the Company or (B) any law, statute, rule, regulation, judgment, order, writ or decree of any Governmental Entity. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company.

(xvii) Absence of Labor Dispute. No labor dispute with the employees of the Company exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers, customers or contractors, which, in either case, would result in a Material Adverse Effect.

(xviii) Absence of Proceedings. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, there is no action, suit, proceeding, inquiry or investigation before or brought by any Governmental Entity (including, without limitation, any action, suit proceeding, inquiry or investigation before or brought by the U.S. Food and Drug Administration (the "FDA")) now pending or, to the knowledge of the Company, threatened, against or affecting the Company, which would reasonably be expected to result in a Material Adverse Effect, or which would reasonably be expected to materially and adversely affect its properties or assets or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder; and the aggregate of all pending legal or governmental proceedings to which the Company is a party or of which any of its properties or assets is the subject which are not described in the Registration Statement, the General Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected to result in a Material Adverse Effect.

(xix) Accuracy of Exhibits. There are no contracts or documents which are required to be described in the Registration Statement, the General Disclosure Package or the Prospectus or to be filed as exhibits to the Registration Statement which have not been so described in all material respects and filed as required.

(xx) Absence of Further Requirements. No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Governmental Entity is necessary or required for the performance by the Company of its obligations hereunder, in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions contemplated by this Agreement, except (A) such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the Nasdaq Global Market, state securities laws or the rules of FINRA and (B) such as have been obtained under the laws and regulations of jurisdictions outside the United States in which the Reserved Securities were offered.

(xxi) Possession of Licenses and Permits; Compliance with Applicable Law. The Company possesses such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") issued by the appropriate Governmental Entities necessary to conduct the business now operated by them, except where the failure so to possess would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse

Effect. The Company is in compliance with the terms and conditions of all Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not, singly or in the aggregate, result in a Material Adverse Effect. The Company has not received any notice of proceedings relating to the revocation or modification of any Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Effect. Except as disclosed in the Registration Statement, the Company (i) is, and at all times has been, in material compliance with all statutes, rules and regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, storage, import export or disposal of any product manufactured or distributed by the Company ("Applicable Laws"); and (ii) has not received any FDA Form 483, written notice of adverse finding, warning letter, untitled letter or other correspondence or written notice from any court or arbitrator or governmental or regulatory authority alleging or asserting material non-compliance with (x) any Applicable Laws or (y) any licenses, exemptions, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Law.

(xxii) Title to Property. The Company has good and marketable title to all real property owned by them and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the Registration Statement, the General Disclosure Package and the Prospectus or (B) would not, singly or in the aggregate, reasonably be expected to result in a Material Adverse Effect; and all of the leases and subleases material to the business of the Company and its subsidiaries, considered as one enterprise, and under which the Company holds properties described in the Registration Statement, the General Disclosure Package or the Prospectus, are in full force and effect, and the Company has no notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company to the continued possession of the leased or subleased premises under any such lease or sublease.

(xxiii) Possession of Intellectual Property. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, the Company owns, or has obtained valid and enforceable licenses for, or other rights to use on reasonable terms, the inventions, patent applications, patents, trademarks (both registered and unregistered), trade names, copyrights, know-how (including trade secrets, and other unpatented and/or unpatentable proprietary information), software, domain names and other intellectual property rights, including registrations and applications for registration thereof (collectively, the "Intellectual Property") described in the Registration Statement, the General Disclosure Package and the Prospectus as being owned or licensed by the Company; the Company owns, or has obtained valid and enforceable licenses for, or other rights to use, all Intellectual Property used in, or necessary for the conduct of, its business as currently conducted or as proposed to be conducted and as described in the Registration Statement, the General Disclosure Package and the Prospectus; there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others alleging that the Company infringes, misappropriates or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the General Disclosure Package or the Prospectus, infringe or misappropriate or otherwise violate, any Intellectual Property rights of others, and the Company is unaware of any facts which, in the Company's view, could form a reasonable basis for a valid claim; and none of the technology

employed by the Company has been obtained or is being used by the Company in violation of any contractual obligation binding on the Company or, to the Company's knowledge, upon any of its officers, directors or employees. To the Company's knowledge, there are no third parties who have or will be able to establish rights to any Intellectual Property described in the Registration Statement, the General Disclosure Package and the Prospectus as exclusively owned or exclusively licensed by the Company, except for licenses granted in writing by the Company to any third-parties ("Exclusive Intellectual Property"); there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the Company's ownership or rights in or to any Exclusive Intellectual Property, and the Company is unaware of any facts which, in the Company's view, could form a reasonable basis for a valid claim; none of the Exclusive Intellectual Property has been adjudged invalid or unenforceable in whole or in part, and there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any Exclusive Intellectual Property, and the Company is unaware of any facts which, in the Company's view, could form a reasonable basis for a valid claim; to the Company's knowledge, there is no patent or patent application that contains claims that would support a declaration of interference (as described in pre-AIA 35 U.S.C. §135 and 37 C.F.R. 41.100 to 41.208) with the issued or pending claims of any of the Intellectual Property; and to the Company's knowledge, there is no prior art material to any patent or patent application of the Exclusive Intellectual Property that may render any U.S. patent held by the Company invalid or any U.S. patent application held by the Company unpatentable has not been disclosed to the U.S. Patent and Trademark Office ("USPTO").

(xxiv) Patents and Patent Applications. All patents and patent applications owned by or licensed to the Company or under which the Company has rights have, to the knowledge of the Company, been duly and properly filed and maintained; to the knowledge of the Company, the parties prosecuting such applications have complied with their duty of candor and disclosure to the USPTO in connection with such applications; and the Company is not aware of any facts required to be disclosed to the USPTO that were not disclosed to the USPTO and which would preclude the grant of a patent in connection with any such application expected to form the basis of a finding of invalidity with respect to any patents that have issued with respect to such applications.

(xxv) Environmental Laws. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus or would not, singly or in the aggregate, result in a Material Adverse Effect, (A) the Company is not in violation of any applicable federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of hazardous chemicals, pollutants, contaminants, hazardous wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or toxic mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company has all permits, authorizations and approvals required under any applicable Environmental Laws for the operation of its business and the occupancy of its real property and is in compliance with their requirements, (C) there are no pending or, to the Company's knowledge, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company and (D) to the Company's knowledge, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Entity, against or affecting the Company relating to Hazardous Materials or any Environmental Laws.

(xxvi) Accounting Controls. The Company maintains effective internal control over financial reporting (as defined under Rule 13-a15 and 15d-15 under the rules and regulations of the Commission under the 1934 Act (the "1934 Act Regulations")) and a system of internal accounting controls designed to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the General Disclosure Package and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (1) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (2) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(xxvii) Compliance with the Sarbanes-Oxley Act. The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance with all applicable provisions of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder or implementing the provisions thereof (the "Sarbanes-Oxley Act") that are then in effect and with which the Company is required to comply as of the effectiveness of the Registration Statement, and is, or will be, actively taking steps to enable it to be in compliance with other applicable provisions of the Sarbanes-Oxley Act not currently in effect, upon the effectiveness of such provisions, or which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

(xxviii) Payment of Taxes. The Company has filed all United States federal income tax returns and other tax returns that are required by law or regulation to have been filed by it through the date hereof, or have timely requested extensions thereof, except insofar as the failure to file such returns would not reasonably be expected to result in a Material Adverse Effect, and has paid all taxes due and payable pursuant to such returns or pursuant to any assessment received by the Company, except for such taxes, if any, (i) as are being contested in good faith and as to which adequate reserves have been established by the Company or (ii) insofar as the failure to pay would not reasonably be expected to result in a Material Adverse Effect.

(xxix) Insurance. The Company carries or is entitled to the benefits of insurance in such amounts and covering such risks the Company reasonably believes is adequate for the conduct of its business, and all such insurance is in full force and effect. The Company has no reason to believe that it will not be able (A) to renew its existing insurance coverage as and when such policies expire or (B) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Effect. Neither of the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(xxx) Investment Company Act. The Company is not required, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Registration Statement, the General Disclosure Package and the Prospectus will not be required, to register as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

(xxxi) Absence of Manipulation. Neither the Company nor any controlled affiliate of the Company has taken, nor will the Company or any controlled affiliate take, directly or indirectly, any action which is designed, or would reasonably be expected, to cause or result in, or which constitutes, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or to result in a violation of Regulation M under the 1934 Act.

(xxxii) Foreign Corrupt Practices Act. None of the Company or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the Company and, to the knowledge of the Company, its affiliates have conducted their businesses in compliance with the FCPA and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(xxxiii) Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "Money Laundering Laws"); and no action, suit or proceeding by or before any Governmental Entity involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(xxxiv) OFAC. None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, controlled affiliate or representative of the Company or any of its subsidiaries is an individual or entity ("Person") currently the subject or target of any sanctions administered or enforced by the United States Government, including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council ("UNSC"), the European Union, Her Majesty's Treasury ("HMT"), or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not directly or indirectly use the proceeds of the sale of the Securities, or lend, contribute or otherwise make available such proceeds to any subsidiaries, joint venture partners or other Person, to fund any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(xxxv) Sales of Reserved Securities. In connection with any offer and sale of Reserved Securities outside the United States, each preliminary prospectus, the Prospectus, any prospectus wrapper and any amendment or supplement thereto, at the time it was delivered to Invitees, complied and will comply in all material respects with any applicable laws or regulations of foreign jurisdictions in which the same is distributed. The Company has not offered, or caused the Representatives to offer, Reserved Securities to any person with the specific intent to unlawfully influence (i) a customer or supplier of the Company or any of its affiliates to alter the customer's or supplier's level or type of business with any such entity or (ii) a trade journalist or publication to write or publish favorable information about the Company or any of its affiliates, or their respective businesses or products.

(xxxvi) Lending Relationship. Except as disclosed in the Registration Statement, the General Disclosure Package and the Prospectus, the Company (i) does not have any material lending or other relationship with any bank or lending affiliate of any Underwriter and (ii) does not intend to use any of the proceeds from the sale of the Securities to repay any outstanding debt owed to any affiliate of any Underwriter.

(xxxvii) Statistical and Market-Related Data. Any statistical and market-related data included in the Registration Statement, the General Disclosure Package or the Prospectus are based on or derived from sources that the Company believes, after reasonable inquiry, to be reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources.

(xxxviii) Pre-clinical Studies. The pre-clinical studies and tests conducted by or, to the knowledge of the Company after due inquiry, on behalf of or sponsored by the Company, or in which the Company has participated, that are described in the Registration Statement, the General Disclosure Package and the Prospectus, or the results of which are referred to in the Registration Statement, the General Disclosure Package and the Prospectus, as applicable, were, and, if still pending, are, being conducted in all material respects in accordance with standard industry practice and any applicable rules and regulations of the FDA and comparable drug regulatory agencies outside of the United States to which they are subject (collectively, the "Regulatory Authorities"); the descriptions in the Registration Statement, the General Disclosure Package or the Prospectus of the results of such studies or tests are accurate and complete in all material respects and fairly present the data derived from such studies or tests; the Company has no knowledge of any other studies or tests not described in the Registration Statement, the General Disclosure Package and the Prospectus, the results of which reasonably call into question the results described or referred to in the Registration Statement, the General Disclosure Package and the Prospectus; the Company has not received any written notices, correspondence or other communications from the Regulatory Authorities or any other governmental agency with jurisdiction over it requiring or threatening the termination, material modification or suspension of any pre-clinical studies or tests that are described in the Registration Statement, the General Disclosure Package and the Prospectus or the results of which are referred to in the Registration Statement, the General Disclosure Package and the Prospectus, other than ordinary course communications with respect to modifications in connection with the design and implementation of such pre-clinical studies or tests.

(xxxix) Regulatory Filings. The Company has not failed to file with the Regulatory Authorities any required filing, declaration, listing, registration, report or submission with respect to the Company's product candidates that are described or referred to in the Registration Statement, the General Disclosure Package and the Prospectus; all such filings, declarations, listings, registrations, reports or submissions were in material compliance with applicable laws when filed; and no material deficiencies regarding compliance with applicable law have been asserted by any applicable regulatory authority with respect to any such filings, declarations, listings, registrations, reports or submissions.

(xl) Rating. Neither the Company nor its subsidiaries have any debt securities or preferred stock that are rated by any "nationally recognized statistical rating agency" (as defined in Section 3(a)(62) of the 1934 Act).

(b) *Officer's Certificates*. Any certificate signed by any officer of the Company or any of its subsidiaries delivered to the Representatives or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to Underwriters; Closing.

(a) *Initial Securities*. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at the price per share set forth in Schedule A, that number of Initial Securities set forth in Schedule A opposite the name of such Underwriter, plus any additional number of Initial Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 10 hereof, subject, in each case, to such adjustments among the Underwriters as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional shares.

(b) *Option Securities*. In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters, severally and not jointly, to purchase up to an additional shares of Common Stock, at the price per share set forth in Schedule A, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities. The option hereby granted may be exercised for 30 days after the date hereof and may be exercised in whole or in part at any time from time to time upon notice by the Representatives to the Company setting forth the number of Option Securities as to which the several Underwriters are then exercising the option and the time and date of payment and delivery for such Option Securities. Any such time and date of delivery (a "Date of Delivery") shall be determined by the Representatives, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Time. If the option is exercised as to all or any portion of the Option Securities, each of the Underwriters, acting severally and not jointly, will purchase that proportion of the total number of Option Securities then being purchased which the number of Initial Securities set forth in Schedule A opposite the name of such Underwriter bears to the total number of Initial Securities, subject, in each case, to such adjustments as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional shares.

(c) *Payment*. Payment of the purchase price for, and delivery of certificates or security entitlements for, the Initial Securities shall be made at the offices of Latham & Watkins LLP at 140 Scott Drive, Menlo Park, CA 94025, or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 A.M., New York City time, on the third (fourth, if the pricing occurs after 4:30 P.M., New York City time, on any given day) business day after the date hereof (unless postponed in accordance with the provisions of Section 10), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called "Closing Time"). Delivery of the Initial Securities at the Closing Time shall be made through the facilities of DTC unless the Representatives otherwise instruct.

In addition, in the event that any or all of the Option Securities are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates or security entitlements for, such Option Securities shall be made at the above-mentioned offices, or at such other place as shall be agreed upon by the Representatives and the Company, on each Date of Delivery as specified in the notice from the Representatives to the Company. Delivery of the Option Securities of each Date of Delivery shall be made through the facilities of DTC unless the Representative otherwise instructs.

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company against delivery to the Representatives for the respective accounts of the Underwriters of certificates or security entitlements for the Securities to be purchased by them. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Initial Securities and the Option Securities, if any, which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Initial Securities or the Option Securities, if any, to be purchased by any Underwriter whose funds have not been received by the Closing Time or the relevant Date of Delivery, as the case may be, but such payment shall not relieve such Underwriter from its obligations hereunder.

SECTION 3. Covenants of the Company. The Company covenants with each Underwriter as follows:

(a) *Compliance with Securities Regulations and Commission Requests*. The Company, subject to Section 3(b), will comply with the requirements of Rule 430A, and will notify the Representatives promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective or any amendment or supplement to the Prospectus shall have been filed, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the 1933 Act concerning the Registration Statement and (v) if the Company becomes the subject of a proceeding under Section 8A of the 1933 Act in connection with the offering of the Securities. The Company will effect all filings required under Rule 424(b), in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof as soon as practicable.

(b) *Continued Compliance with Securities Laws*. The Company will comply with the 1933 Act and the 1933 Act Regulations so as to permit the completion of the distribution of the Securities as contemplated in this Agreement and in the Registration Statement, the General Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172 of the 1933 Act Regulations ("Rule 172"), would be) required by the 1933 Act to be delivered in connection with sales of the Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to (i) amend the Registration Statement in order that the Registration Statement will 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, (ii) amend or supplement the General Disclosure Package or the Prospectus in order that the General Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the General Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly (A) give the Representatives notice of such event, (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the General Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Representatives with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; provided that the Company shall not file or use any such amendment or supplement to which the Representatives or counsel for the Underwriters shall object. The Company will furnish to the Underwriters such number of copies of such amendment or supplement as the Underwriters may reasonably request. The Company will give the Representatives notice of its intention to make any such filing from the Applicable Time to the Closing Time and will furnish the Representatives with copies of any such documents a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Representatives or counsel for the Underwriters shall reasonably object.

(c) *Delivery of Registration Statements*. The Company has furnished or will deliver to the Representatives and counsel for the Underwriters, without charge, conformed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith) and, if requested in writing, signed copies of all consents and certificates of experts, and, if requested in writing, will also deliver to the Representatives, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(d) *Delivery of Prospectuses*. The Company has delivered to each Underwriter, without charge, as many copies of each preliminary prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the 1933 Act. The Company will furnish to each Underwriter, without charge, during the period when a prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) *Blue Sky Qualifications*. The Company will use its reasonable best efforts, in cooperation with the Underwriters, to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Representatives may designate and to maintain such qualifications in effect so long as required to complete the distribution of the Securities; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(f) *Rule 158*. The Company will timely file such reports pursuant to the 1934 Act, as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide to the Underwriters the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act.

(g) *Use of Proceeds*. The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Registration Statement, the General Disclosure Package and the Prospectus under "Use of Proceeds."

(h) *Listing*. The Company will use its reasonable best efforts to effect and maintain the listing of the Common Stock (including the Securities) on the NASDAQ Global Market.

(i) *Restriction on Sale of Securities*. During a period through and including 180 days from the date of the Prospectus, the Company will not, without the prior written consent of the Representatives, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or file any registration statement under the 1933 Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing sentence shall not apply to (A) the Securities to be sold hereunder, (B) any shares of Common Stock issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (C) any shares of Common Stock issued or options to purchase Common Stock granted pursuant to existing employee benefit plans of the Company referred to in the Registration Statement, the General Disclosure Package and the Prospectus, (D) any shares of Common Stock issued pursuant to any non-employee director stock plan or dividend reinvestment plan referred to in the Registration Statement, the General Disclosure Package and the Prospectus or (E) the filing of one or more registration statements on Form S-8.

(j) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up agreement described in Section 5(i) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

(k) *Reporting Requirements*. The Company, during the period when a Prospectus relating to the Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the 1933 Act, will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and 1934 Act Regulations. Additionally, the Company shall report the use of proceeds from the issuance of the Shares as may be required under Rule 463 under the 1933 Act.

(l) *Issuer Free Writing Prospectuses*. The Company agrees that, unless it obtains the prior written consent of the Representatives, it will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus," or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the Representatives will be deemed to have consented to the Issuer Free Writing Prospectuses listed on Schedule B-2 hereto and any "road show that is a written communication" within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Representatives.

The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Representatives as an "issuer free writing prospectus," as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement, any preliminary prospectus or the Prospectus or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission; provided, however, that the company shall not be required to notify the Representatives of any statements or omissions in any Issuer Free Writing Prospectus prepared or authorized by the Company made in reliance upon and in conformity with Underwriter Information. Each Underwriter represents that it has not made, and agrees that, without the prior consent of the Company, it will not make any offer relating to the Securities that would constitute a "free writing prospectus" required to be filed by the Company with the Commission or retained by the Company under Rule 433 of the 1933 Act Regulations; provided that the Company will be deemed to have consented to any "road show" that has been reviewed and approved by the Company and is a written communication within the meaning of Rule 433(d)(8)(i) of the 1933 Act Regulations.

(m) *Compliance with FINRA Rules*. The Company hereby agrees that, upon the notice provided in the following sentence, it will ensure that the Reserved Securities will be restricted as required by FINRA or the FINRA rules from sale, transfer, assignment, pledge or hypothecation for a period of three months following the date of this Agreement. The Underwriters will notify the Company as to which persons will need to be so restricted. At the request of the Underwriters, the Company will direct the transfer agent to place a stop transfer restriction upon such securities for such period of time. Should the Company release, or seek to release, from such restrictions any of the Reserved Securities, the Company agrees to reimburse the Underwriters for any reasonable expenses (including, without limitation, legal expenses) they incur in connection with such release.

(n) *Testing-the-Waters Materials*. If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission; provided, however, that this covenant shall not apply to any statements or omissions in a Written Testing-the-Waters Communication prepared or authorized by the Company made in reliance upon and in conformity with Underwriter Information.

(o) *Emerging Growth Company Status*. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Securities within the meaning of the 1933 Act and (ii) completion of the 180-day restricted period referred to in Section 3(i).

SECTION 4. Payment of Expenses.

(a) *Expenses*. The Company will pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of

the Registration Statement (including financial statements and exhibits) as originally filed and each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of copies of each preliminary prospectus, each Issuer Free Writing Prospectus and the Prospectus and any amendments or supplements thereto and any costs associated with electronic delivery of any of the foregoing by the Underwriters to investors in connection with the offer and sale of the Securities, (iii) the preparation, issuance and delivery of the certificates or security entitlements for the Securities to the Underwriters, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Securities to the Underwriters, (iv) the fees and disbursements of the Company's counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 3(e) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto; provided that the amount payable by the Company pursuant to the foregoing clauses shall not exceed $15,000 in the aggregate, (vi) the fees and expenses of any transfer agent or registrar for the Securities, (vii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged with the consent of the Company in connection with the road show presentations, travel and lodging expenses of the representatives and officers of the Company and any such consultants (provided that the travel and lodging expenses of the representatives of the Underwriters shall be paid by the Underwriters), and 50% of the cost of aircraft and other transportation chartered in connection with the road show, (viii) the filing fees incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by FINRA of the terms of the sale of the Securities; provided that the amount payable by the Company pursuant to the foregoing clauses shall not exceed $40,000 in the aggregate, (ix) the fees and expenses incurred in connection with the listing of the Securities on the NASDAQ Global Market, (x) the costs and expenses (including, without limitation, any damages or other amounts payable in connection with legal or contractual liability) associated with the reforming of any contracts for sale of the Securities made by the Underwriters caused by a breach of the representation contained in the third sentence of Section 1(a)(ii) and (xi) all costs and expenses of the Underwriters, including the fees and disbursements of counsel for the Underwriters, in connection with matters related to the Reserved Securities which are designated by the Company for sale to Invitees; provided that the amount payable by the Company pursuant to this clause (xi) shall not exceed $20,000 in the aggregate.

(b) *Termination of Agreement*. If this Agreement is terminated by the Representatives in accordance with the provisions of Section 5, Section 9(a)(i) or (iii) or Section 10 hereof, the Company shall reimburse the non-defaulting Underwriters for all of their reasonable out-of-pocket expenses actually incurred, including the reasonable fees and disbursements of counsel for the Underwriters. For the avoidance of doubt, in the case of termination by the Underwriters in accordance with the provisions of Section 10 hereof, the Company shall have no obligation to reimburse any defaulting Underwriter pursuant to this Section 4(b).

SECTION 5. Conditions of Underwriters' Obligations. The obligations of the several Underwriters hereunder are subject to the accuracy of the representations and warranties of the Company contained herein or in certificates of any officer of the Company or any of its subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder, and to the following further conditions:

(a) *Effectiveness of Registration Statement; Rule 430A Information*. The Registration Statement, including any Rule 462(b) Registration Statement, has become effective and, at the Closing Time, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the 1933 Act, no order preventing or suspending the use of any

preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated by the Commission; and the Company has complied with each request (if any) from the Commission for additional information. A prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) without reliance on Rule 424(b)(8) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A.

(b) *Opinion of Counsel for Company*. At the Closing Time, the Representatives shall have received the favorable opinion letter (including applicable negative assurance), each dated the Closing Time, of Sidley Austin LLP, counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, together with signed or reproduced copies of such letters for each of the other Underwriters.

(c) *Opinion of Intellectual Property Counsel for Company*. At the Closing Time, the Representatives shall have received the favorable opinion and negative assurance letter, each dated the Closing Time, of Cooley LLP, special intellectual property counsel for the Company, in form and substance reasonably satisfactory to counsel for the Underwriters, together with signed or reproduced copies of each such letters for each of the other Underwriters.

(d) *Opinion of Counsel for Underwriters*. At the Closing Time, the Representatives shall have received the favorable opinion, dated the Closing Time, of Latham & Watkins LLP, counsel for the Underwriters, together with signed or reproduced copies of such letter for each of the other Underwriters in form and substance agreed upon by such counsel and the Representatives.

(e) *Officers' Certificate*. At the Closing Time, there shall not have been, since the date hereof or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, and the Representatives shall have received a certificate of the Chief Executive Officer or the President of the Company and of the chief financial or chief accounting officer of the Company, dated the Closing Time, to the effect that (i) there has been no such material adverse change, (ii) the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement under the 1933 Act has been issued, no order preventing or suspending the use of any preliminary prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to their knowledge, contemplated.

(f) *Accountant's Comfort Letter*. At the time of the execution of this Agreement, the Representatives shall have received from PricewaterhouseCoopers LLP a letter, dated such date, in form and substance satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the General Disclosure Package and the Prospectus.

(g) *Bring-down Comfort Letter*. At the Closing Time, the Representatives shall have received from PricewaterhouseCoopers LLP a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (e) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(h) *Approval of Listing*. At the Closing Time, the Securities shall have been approved for listing on the NASDAQ Global Market, subject only to official notice of issuance.

(i) *No Objection*. FINRA has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements relating to the offering of the Securities.

(j) *Lock-up Agreements*. At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit A hereto signed by substantially all of the Company's employees, officers, directors and security holders (as listed on Schedule C hereto).

(k) *Conditions to Purchase of Option Securities*. In the event that the Underwriters exercise their option provided in Section 2(b) hereof to purchase all or any portion of the Option Securities, the representations and warranties of the Company contained herein and the statements in any certificates furnished by the Company and any of its subsidiaries hereunder shall be true and correct as of each Date of Delivery and, at the relevant Date of Delivery, the Representatives shall have received:

(i) Officers' Certificate. A certificate, dated such Date of Delivery, of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company confirming that the certificate delivered at the Closing Time pursuant to Section 5(d) hereof remains true and correct as of such Date of Delivery.

(ii) Opinion of Counsels for Company. The favorable opinion of Sidley Austin LLP, counsel for the Company, together with the favorable opinions of Cooley LLP, special intellectual property counsel for the Company, in form and substance satisfactory to counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(b) hereof.

(iii) Opinion of Counsel for Underwriters. If requested by the Representatives, the favorable opinion of Latham & Watkins LLP, counsel for the Underwriters, dated such Date of Delivery, relating to the Option Securities to be purchased on such Date of Delivery and otherwise to the same effect as the opinion required by Section 5(c) hereof.

(v) Bring-down Comfort Letter. If requested by the Representatives, a letter from PricewaterhouseCoopers LLP, in form and substance satisfactory to the Representatives and dated such Date of Delivery, substantially in the same form and substance as the letter furnished to the Representatives pursuant to Section 5(e) hereof, except that the "specified date" in the letter furnished pursuant to this paragraph shall be a date not more than three business days prior to such Date of Delivery.

(l) *Additional Documents*. At the Closing Time and at each Date of Delivery (if any) counsel for the Underwriters shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(m) *Termination of Agreement*. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement, or, in the case of any condition to the purchase of Option Securities on a Date of Delivery which is after the Closing Time, the obligations of the several Underwriters to purchase the relevant Option Securities, may be terminated by the Representatives by notice to the Company at any time at or prior to Closing Time or such Date of Delivery, as the case may be, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 1, 6, 7, 8, 14, 15 and 16 shall survive any such termination and remain in full force and effect.

SECTION 6. Indemnification.

(a) *Indemnification of Underwriters*. The Company agrees to indemnify and hold harmless each Underwriter, its affiliates (as such term is defined in Rule 501(b) under the 1933 Act (each, an "Affiliate")), its selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), including the Rule 430A Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact included (A) in any preliminary prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, the General Disclosure Package or the Prospectus (or any amendment or supplement thereto), or (B) in any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Securities ("Marketing Materials"), including any roadshow or investor presentations made to investors by the Company (whether in person or electronically), or the omission or alleged omission in any preliminary prospectus, Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, Prospectus or in any Marketing Materials of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 6(d) below) any such settlement is effected with the written consent of the Company;

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Representatives), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package, any preliminary prospectus, Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(b) *Indemnification of Company, Directors and Officers*. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto), including the Rule 430A Information, the General Disclosure Package, any preliminary prospectus, Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information.

(c) *Actions against Parties; Notification*. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to Section 6(a) above, counsel to the indemnified parties shall be selected by the Representatives, and, in the case of parties indemnified pursuant to Section 6(b) above, counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 6 or Section 7 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) *Settlement without Consent if Failure to Reimburse*. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 6(a)(ii) or settlement of any claim in connection with any violation referred to in Section 6(e) effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 45 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) *Indemnification for Reserved Securities*. In connection with the offer and sale of the Reserved Securities, the Company agrees to indemnify and hold harmless the Underwriters, their Affiliates and selling agents and each person, if any, who controls any Underwriter within the meaning of

either Section 15 of the 1933 Act or Section 20 of the 1934 Act, from and against any and all loss, liability, claim, damage and expense (including, without limitation, any legal or other expenses reasonably incurred in connection with defending, investigating or settling any such action or claim), as incurred, (i) arising out of the violation of any applicable laws or regulations of foreign jurisdictions where Reserved Securities have been offered, (ii) arising out of any untrue statement or alleged untrue statement of a material fact contained in any prospectus wrapper or other material prepared by or with the consent of the Company for distribution to Invitees (the "Invitee Materials") in connection with the offering of the Reserved Securities or caused by 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 (provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in the Invitee Materials (or any amendment or supplement thereto) in reliance upon and in conformity with the Underwriter Information), (iii) caused by the failure of any Invitee to pay for and accept delivery of Reserved Securities which have been orally confirmed for purchase by any Invitee by 7:00 A.M., New York City time, on the first business day after the date of the Agreement or (iv) related to, or arising out of or in connection with, the offering of the Reserved Securities.

SECTION 7. Contribution. If the indemnification provided for in Section 6 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions, or in connection with any violation of the nature referred to in Section 6(e) hereof, which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company, on the one hand, and the total underwriting discount received by the Underwriters, on the other hand, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on the cover of the Prospectus.

The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or any violation of the nature referred to in Section 6(e) hereof.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 7. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 7 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in

investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 7, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 7, each person, if any, who controls an Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act and each Underwriter's Affiliates and selling agents shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 7 are several in proportion to the number of Initial Securities set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 8. Representations, Warranties and Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of its subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company and (ii) delivery of and payment for the Securities.

SECTION 9. Termination of Agreement.

(a) *Termination*. The Representatives may terminate this Agreement, by notice to the Company, at any time at or prior to the Closing Time (i) if there has been, in the judgment of the Representatives, since the time of execution of this Agreement or since the respective dates as of which information is given in the Registration Statement, the General Disclosure Package or the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business, or (ii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the completion of the offering or to enforce contracts for the sale of the Securities, or (iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the Nasdaq Global Market, or (iv) if trading generally on the NYSE MKT or the New York Stock Exchange or in the Nasdaq Global Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by order of the Commission, FINRA or any other governmental authority, or (v) a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States or (vi) if a banking moratorium has been declared by either Federal or New York authorities.

(b) *Liabilities*. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 1, 6, 7, 8, 14, 15 and 16 shall survive such termination and remain in full force and effect.

SECTION 10. Default by One or More of the Underwriters. If one or more of the Underwriters shall fail at the Closing Time or a Date of Delivery to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representatives shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representatives shall not have completed such arrangements within such 24-hour period, then:

(i) if the number of Defaulted Securities does not exceed 10% of the number of Securities to be purchased on such date, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the number of Defaulted Securities exceeds 10% of the number of Securities to be purchased on such date, this Agreement or, with respect to any Date of Delivery which occurs after the Closing Time, the obligation of the Underwriters to purchase, and the Company to sell, the Option Securities to be purchased and sold on such Date of Delivery shall terminate without liability on the part of any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement or, in the case of a Date of Delivery which is after the Closing Time, which does not result in a termination of the obligation of the Underwriters to purchase and the Company to sell the relevant Option Securities, as the case may be, either the (i) Representatives or (ii) the Company shall have the right to postpone Closing Time or the relevant Date of Delivery, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement, the General Disclosure Package or the Prospectus or in any other documents or arrangements. As used herein, the term "Underwriter" includes any person substituted for an Underwriter under this Section 10.

SECTION 11. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be directed to (i) Merrill Lynch at One Bryant Park, New York, New York 10036, attention of Syndicate Department (facsimile: (646) 855-3073), with a copy to ECM Legal (facsimile: (212) 230-8730); (ii) Jefferies at 520 Madison Avenue, New York, New York 10022, attention of General Counsel (facsimile: (646) 619-4437; (iii) Cowen at 599 Lexington Avenue, 27th Floor, New York, New York 10022, attention of General Counsel; notices to the Company shall be directed to it at CytomX Therapeutics, Inc. at 343 Oyster Point Blvd #100, South San Francisco, CA 94080, attention of General Counsel, with a copy to Sam Zucker Esq., Sidley Austin LLP, 1001 Page Mill Road, Building 1, Palo Alto, CA 94304, telephone: (650) 565-7000, facsimile: (650) 565-7100.

SECTION 12. No Advisory or Fiduciary Relationship. The Company acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the initial public offering price of the Securities and any related discounts and commissions, is an arm's-

length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other hand, (b) in connection with the offering of the Securities and the process leading thereto, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company, any of its subsidiaries or their respective stockholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering of the Securities or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any of its subsidiaries on other matters) and no Underwriter has any obligation to the Company with respect to the offering of the Securities except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering of the Securities and the Company has consulted its own respective legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 13. Parties. This Agreement shall each inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters and the Company and their respective successors and the controlling persons and officers and directors referred to in Sections 6 and 7 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 14. Trial by Jury. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its affiliates) and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SECTION 15. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF, THE STATE OF NEW YORK WITHOUT REGARD TO ITS CHOICE OF LAW PROVISIONS.

SECTION 16. Consent to Jurisdiction; Waiver of Immunity. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") shall be instituted in (i) the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan or (ii) the courts of the State of New York located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 17. TIME. TIME SHALL BE OF THE ESSENCE OF THIS AGREEMENT. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

SECTION 19. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Underwriters and the Company in accordance with its terms.

Very truly yours,

CYTOMX THERAPEUTICS, INC.

By _____
Title:

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
JEFFERIES LLC
COWEN AND COMPANY, LLC

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By _____
Authorized Signatory

By: JEFFERIES LLC

By _____
Authorized Signatory

By: COWEN AND COMPANY, LLC

By _____
Authorized Signatory

For themselves and as Representatives of the other Underwriters named in Schedule A hereto.

SCHEDULE A

The initial public offering price per share for the Securities shall be $.

The purchase price per share for the Securities to be paid by the several Underwriters shall be $, being an amount equal to the initial public offering price set forth above less $ per share subject to adjustment in accordance with Section 2(b) for dividends or distributions declared by the Company and payable on the Initial Securities but not payable on the Option Securities.

Name of Underwriter	Number of Initial Securities
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Jefferies LLC	
Cowen and Company, LLC	
Oppenheimer & Co. Inc.	
Total	

SCHEDULE B-1

Pricing Terms

1. The Company is selling shares of Common Stock.

2. The Company has granted an option to the Underwriters, severally and not jointly, to purchase up to an additional shares of Common Stock.

3. The initial public offering price per share for the Securities shall be $.

SCHEDULE B-2

Free Writing Prospectuses

[SPECIFY EACH ISSUER GENERAL USE FREE WRITING PROSPECTUS]

SCHEDULE B-3

Written Testing-the-Waters Communications

[SPECIFY EACH WRITTEN TESTING-THE-WATERS COMMUNICATION]

SCHEDULE C

List of Persons and Entities Subject to Lock-up

[SPECIFY EACH PERSON AND ENTITY SUBJECT TO LOCK-UP]

Exhibit A

FORM OF LOCK-UP FROM DIRECTORS, OFFICERS OR OTHER STOCKHOLDERS
PURSUANT TO SECTION 5(i)

_____, 2015

Merrill Lynch, Pierce, Fenner & Smith
Incorporated,
Jefferies LLC
as Representatives of the several
Underwriters to be named in the
within-mentioned Underwriting Agreement
c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, New York 10036

Re: Proposed Public Offering by CytomX Therapeutics, Inc.

Dear Sirs:

The undersigned, a securityholder, officer and/or director of CytomX Therapeutics, Inc., a Delaware corporation (the "Company"), understands that Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and Jefferies LLC ("Jefferies") propose to enter into an Underwriting Agreement (the "Underwriting Agreement") with the Company providing for the public offering (the "Public Offering") of shares of the Company's common stock, par value $0.00001 per share (the "Common Stock"). In recognition of the benefit that such an offering will confer upon the undersigned as a securityholder, officer and/or director of the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with each underwriter to be named in the Underwriting Agreement that, during the period beginning on the date hereof and ending at 11:59 p.m. ET on the date that is the 180th day after the date of the Underwriting Agreement, the undersigned will not, without the prior written consent of Merrill Lynch and Jefferies, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of the Company's Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed securities the undersigned may purchase in the offering.

If the undersigned is an officer or director of the Company, (1) Merrill Lynch and Jefferies agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of the Common Stock, Merrill Lynch and Jefferies will notify the Company of the impending release or waiver, and (2) the Company has agreed, or will agree, in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Merrill Lynch and Jefferies hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (i) the release or waiver is effected solely to permit a transfer not for consideration and (ii) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may, without the prior written consent of Merrill Lynch and Jefferies:

(a) transfer Lock-Up Securities, provided that (1) Merrill Lynch and Jefferies receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer shall not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (4) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers (other than a required Schedule 13G (or 13G/A) or Form 13F filed after the expiration of the lock-up period):

(i) as a *bona fide* gift or gifts; or

(ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or

(iii) as a distribution to limited partners or stockholders of the undersigned; or

(iv) to a corporation, partnership, limited liability company, investment fund or other entity that controls or is controlled by, or is under common control with, the undersigned, or is wholly-owned by the undersigned, or, in the case of an investment fund, that is managed by, or is under common management with, the undersigned (including, for the avoidance of doubt, a fund managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing member or general partner or management company as the undersigned or who shares a common investment advisor with the undersigned);

(b) sell or transfer shares of Common Stock to the underwriters in the Public Offering;

(c) transfer Lock-Up Securities to the Company upon a vesting event of the Company's securities or upon the exercise or conversion of options or warrants to purchase the Company's securities, in each case, on a "cashless" or "net exercise" basis or to cover tax withholding obligations of the undersigned in connection with such vesting or exercise, provided that (1) such transfers are not required to be reported with the SEC on Form 4 in accordance with Section 16 of the Exchange Act and (2) the undersigned does not otherwise voluntarily effect any public filing or report regarding such transfers during the 180-day lock-up period;

(d) convert shares of preferred stock of the Company into shares of Common Stock of the Company, or exercise preferred stock warrants, provided that any shares of capital stock received upon any such conversion or exercise remain subject to the terms of this lock-up agreement;

(e) transfer Lock-Up Securities by operation of law, including pursuant to a domestic order or a negotiated divorce settlement, provided that Lock-Up Securities received upon such transfer remain subject to the terms of this lock-up agreement; or

(f) transfer Lock-Up Securities pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction made to all holders of Lock-Up Securities involving a Change of Control of the Company, provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the Lock-Up Securities owned by the undersigned shall remain subject to the restrictions contained in this lock-up agreement. "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter pursuant to the Public Offering), of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity).

In addition, nothing in this lock-up agreement shall prohibit the undersigned from establishing, during the 180-day lock-up period, a trading plan for the transfer of Lock-Up Securities under Rule 10b5-1 under the Exchange Act, so long as (1) no transactions under such plan are made until after the expiration of the 180-day lock-up period and (2) no public disclosure of such plan shall be required or voluntarily made until after the expiration of the 180-day lock-up period.

Furthermore, the undersigned may sell shares of Common Stock of the Company purchased by the undersigned in the Public Offering or on the open market following the Public Offering if and only if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise (other than a required Schedule 13G (or 13G/A) or Form 13F filed after the expiration of the lock-up period) and (ii) the undersigned does not otherwise voluntarily effect any public filing or report regarding such sales.

In addition, the restrictions on transfer and disposition of the Lock-Up Securities during the 180 day lock-up period shall not apply to the repurchase of Lock-Up Securities by the Company in connection with the termination of the undersigned's employment or other service with the Company.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions. This lock-up agreement shall automatically terminate, and the undersigned shall be released from its obligations hereunder, upon the earliest to occur, if any, of: (1) the date either the Company, on the one hand, or Merrill Lynch and Jefferies, on the other hand, advise the other in writing, prior to the execution of the Underwriting Agreement, that they have determined not to proceed with the Public Offering, (2) the date of the termination of the Underwriting Agreement prior to payment for and delivery of the Common Stock to be sold thereunder, (3) the date of the withdrawal of the registration statement furnished to or filed with the Securities and Exchange Commission with respect to the Public Offering, or (4) February 14, 2016, in the event that the Underwriting Agreement has not been executed by such date.

[Signature page follows]

Very truly yours,

[*NAME OF STOCKHOLDER*]

By: _____
Name:
Title:

If not signing in an individual capacity:

_____
Name of Authorized Signatory *(Print)*

_____
Title of Authorized Signatory *(Print)*
(Indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity.)

Exhibit B

FORM OF PRESS RELEASE
TO BE ISSUED PURSUANT TO SECTION 3(j)

CYTOMX THERAPEUTICS, INC.
[Date]

CytomX Therapeutics, Inc. (the "Company") announced today that , a book-running manager in the Company's recent public sale of shares of common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 2015, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF CYTOMX THERAPEUTICS, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

CytomX Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is CytomX Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on September 16, 2010 under the name CytomX Therapeutics, Inc.

2. That the Certificate of Incorporation of this corporation was amended and restated on September 22, 2010, July 26, 2012, December 22, 2014 and June 11, 2015.

3. That the Corporation's Board of Directors (the "**Board of Directors**") duly adopted resolutions proposing to amend and restate further the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is CytomX Therapeutics, Inc. (the "**Corporation**").

SECOND: The address of the Corporation's registered office in the State of Delaware is 615 South DuPont Highway, City of Dover, County of Kent, State of Delaware 19901. National Corporate Research, Ltd., is the Corporation's registered agent at that address.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: Effective upon the filing of this Amended and Restated Certificate of Incorporation (the "**Certificate of Incorporation**") with the Secretary of State of the State of Delaware (the "**Effective Time**"), (a) each 62.997 shares of common stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time

("**Old Common Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Common Stock (as defined below), (b) each 62.997 shares of Series A-1 preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series A-1 Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series A-1 Preferred Stock (as defined below), (c) each 62.997 shares of Series A-2 preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series A-2 Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series A-2 Preferred Stock (as defined below), (d) each 62.997 shares of Series B-1 preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series B-1 Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series B-1 Preferred Stock (as defined below), (e) each 62.997 shares of Series B-2 preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series B-2 Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series B-2 Preferred Stock (as defined below), (f) each 62.997 shares of Series C preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series C Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series C Preferred Stock (as defined below), and (g) each 62.997 shares of Series D preferred stock, $0.00001 par value per share, of the Corporation issued and outstanding immediately prior to the Effective Time ("**Old Series D Preferred Stock**") shall, automatically and without any action on the part of the holder thereof, be combined and converted into one (1) share of fully paid and nonassessable Series D Preferred Stock (as defined below) ((a) through (g) above collectively, the "**Reverse Stock Split**"). The Reverse Stock Split shall be effected on a certificate-by-certificate basis, and no fractional shares shall be issued as a result of the Reverse Stock Split. In lieu thereof, the Corporation shall pay to each holder of any such fractional share an amount in cash equal to such fraction multiplied by the fair market value immediately after the Effective Time of one share of Common Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, as the case may be, determined in good faith by the Board of Directors. Each stock certificate representing shares of Old Common Stock, Old Series A-1 Preferred Stock, Old Series A-2 Preferred Stock, Old Series B-1 Preferred Stock, Old Series B-2 Preferred Stock, Old Series C Preferred Stock or Old Series D Preferred Stock immediately prior to the Effective Time shall thereafter represent that number of whole shares of Common Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, as applicable, outstanding after the Effective Time into which the shares of Old Common Stock, Old Series A-1 Preferred Stock, Old Series A-2 Preferred Stock, Old Series B-1 Preferred Stock, Old Series B-2 Preferred Stock, Old Series C Preferred Stock or Old Series D Preferred Stock represented by such certificate shall have been combined. All number of shares and all amounts stated on a per share basis contained in the Certificate of Incorporation are stated after giving effect to the Reverse Stock Split and no further adjustment shall be made as a consequence of the Reverse Stock Split.

As of the Effective Time, the total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 36,200,000 shares of Common Stock, $0.00001 par value per share ("**Common Stock**"), and (ii) 27,217,098 shares of Preferred Stock, $0.00001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

33,101 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**," 211,681 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-2 Preferred Stock**," 14,569,803 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**," 862,412 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B-2 Preferred Stock**," 4,049,546 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**," and 7,490,555 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series D Preferred Stock**" and each such series shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. The Series A-1 Preferred Stock and Series A-2 Preferred Stock shall be referred to herein

collectively as the "**Series A Preferred Stock**" and the Series B-1 Preferred Stock and Series B-2 Preferred Stock shall be referred to herein collectively as the "**Series B Preferred Stock**." Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends.

1.1 Series D Preferred Stock Dividends. From and after the applicable date of the issuance of any shares of Series D Preferred Stock, dividends at the rate of eight percent (8%) of the Series D Original Issue Price (as defined below) per annum shall accrue on each such share of the Series D Preferred Stock (the "**Series D Accruing Dividends**"). The Series D Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1.1 or in Subsections 2.1 and 6, such Series D Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series D Accruing Dividends other than as set forth herein. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series D Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series D Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Series D Accruing Dividends then accrued on such share of Series D Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series D Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series D Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series D Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series D Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series D Preferred Stock pursuant to this Section 1.1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series D Preferred Stock dividend. The "**Series D Original Issue Price**" shall mean $9.345101 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series D Preferred Stock.

1.2 Series C Preferred Stock Dividends. From and after the applicable date of the issuance of any shares of Series C Preferred Stock, dividends at the rate of eight percent (8%) of the Series C Original Issue Price (as defined below) per annum shall accrue on each such share of the Series C Preferred Stock (the "**Series C Accruing Dividends**"). The Series C Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1.2 or in Subsections 2.1 and 6, such Series C Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series C Accruing Dividends other than as set forth herein. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than (i) dividends on shares of Series D Preferred Stock, and (ii) dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series C Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series C Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Series C Accruing Dividends then accrued on such share of Series C Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series C Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series C Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series C Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series C Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series C Preferred Stock pursuant to this Section 1.2 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series C Preferred Stock dividend. The "**Series C Original Issue Price**" shall mean $5.309387 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.

1.3 Series B-1 Preferred Stock Dividends. From and after the applicable date of the issuance of any shares of Series B-1 Preferred Stock, dividends at the rate of eight percent (8%) of the Series B-1 Original Issue Price (as defined below) per annum shall accrue on each such share of the Series B-1 Preferred Stock (the "**Series B-1 Accruing Dividends**"). The Series B-1 Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the

following sentence of this Section 1.3 or in Subsections 2.1 and 6, such Series B-1 Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series B-1 Accruing Dividends other than as set forth herein. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than (i) dividends on shares of Series C Preferred Stock and Series D Preferred Stock, and (ii) dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series B-1 Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B-1 Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Series B-1 Accruing Dividends then accrued on such share of Series B-1 Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series B-1 Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series B-1 Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B-1 Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series B-1 Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B-1 Preferred Stock pursuant to this Section 1.3 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series B-1 Preferred Stock dividend. The "**Series B-1 Original Issue Price**" shall mean $3.084396 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-1 Preferred Stock.

1.4 Series B-2 Preferred Stock Dividends. From and after the applicable date of the issuance of any shares of Series B-2 Preferred Stock, dividends at the rate of eight percent (8%) of the Series B-2 Original Issue Price (as defined below) per annum shall accrue on each such share of the Series B-2 Preferred Stock (the "**Series B-2 Accruing Dividends**"). The Series B-2 Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Section 1.4 or in Subsections 2.1 and 6, such Series B-2 Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series B-2 Accruing Dividends other than as set forth herein. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than (i) dividends on shares of Series B-1 Preferred Stock, Series C

Preferred Stock and Series D Preferred Stock, and (ii) dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series B-2 Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B-2 Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Series B-2 Accruing Dividends then accrued on such share of Series B-2 Preferred Stock and not previously paid and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series B-2 Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series B-2 Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B-2 Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series B-2 Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B-2 Preferred Stock pursuant to this Section 1.4 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series B-2 Preferred Stock dividend. The "**Series B-2 Original Issue Price**" shall mean $3.084396 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B-2 Preferred Stock.

1.5 Series A Preferred Stock Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than (i) dividends on shares of Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, and (ii) dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (A)

dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series A-1 Original Issue Price (as defined below) or Series A-2 Original Issue Price (as defined below), as applicable; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend. The "**Series A-1 Original Issue Price**" shall mean $7.552521 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-1 Preferred Stock. The "**Series A-2 Original Issue Price**" shall mean $11.049485 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A-2 Preferred Stock.

The "**Applicable Original Issue Price**" shall mean (i) the Series A-1 Original Issue Price in the case of the Series A-1 Preferred Stock, (ii) the Series A-2 Original Issue Price in the case of the Series A-2 Preferred Stock, (iii) the Series B-1 Original Issue Price in the case of the Series B-1 Preferred Stock, (iv) the Series B-2 Original Issue Price in the case of the Series B-2 Preferred Stock, (v) the Series C Original Issue Price in the case of the Series C Preferred Stock and (vi) the Series D Original Issue Price in the case of the Series D Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Payments to Holders of Preferred Stock.

2.1.1 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event, before any amount shall be paid or distributed in respect of the Series C Preferred Stock, Series B-2 Preferred Stock, Series B-1 Preferred Stock, Series A-2 Preferred Stock, Series A-1 Preferred Stock or Common Stock, the holders of shares of Series D Preferred Stock then outstanding, by reason of their ownership of such stock, shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount per share equal to the Series D Original Issue Price, plus any Series D Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "**Series D Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series D Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1.1, the holders of shares of Series D Preferred Stock shall share ratably in all distributions of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Series D Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares of Series D Preferred Stock were paid in full.

2.1.2 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock and before any amount shall be paid or distributed in respect of the Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series A-2 Preferred Stock, Series A-1 Preferred Stock or Common Stock, the holders of shares of Series C Preferred Stock then outstanding, by reason of their ownership of such stock, shall be entitled to be paid out of such remaining assets of the Corporation available for distribution to its stockholders an amount per share equal to the Series C Original Issue Price, plus any Series C Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "**Series C Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, such assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1.2, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock, the holders of shares of Series C Preferred Stock shall share ratably in all distributions of such assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Series C Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares of Series C Preferred Stock were paid in full.

2.1.3 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock and the aggregate Series C Liquidation Amount in respect of all outstanding shares of the Series C Preferred Stock and before any amount shall be paid or distributed in respect of the Series B-2 Preferred Stock, Series A-2 Preferred Stock, Series A-1 Preferred Stock or Common Stock, the holders of shares of Series B-1 Preferred Stock then outstanding, by reason of their ownership of such stock, shall be entitled to be paid out of such remaining assets of the Corporation available for distribution to its stockholders an amount per share equal to the Series B-1 Original Issue Price, plus any Series B-1 Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "**Series B-1 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, such assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B-1 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1.3, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock and the aggregate Series C Liquidation Amount in respect of all outstanding shares of Series C Preferred Stock, the holders of shares of Series B-1 Preferred Stock shall share ratably in all distributions of such assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Series B-1 Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares of Series B-1 Preferred Stock were paid in full.

2.1.4 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock, the aggregate Series C Liquidation Amount in respect of all outstanding shares of Series C Preferred Stock and the aggregate Series B-1 Liquidation Amount in respect of all outstanding shares of Series B-1 Preferred Stock and before any amount shall be paid or distributed in respect of the Series A-2 Preferred Stock, Series A-1 Preferred Stock or Common Stock, the holders of shares of Series B-2 Preferred Stock then outstanding, by reason of their ownership of such stock, shall be entitled to be paid out of such remaining assets of the Corporation available for distribution to its stockholders an amount per share equal to the Series B-2 Original Issue Price, plus any Series B-2 Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "**Series B-2 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, such assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B-2 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1.4, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock, the aggregate Series C Liquidation Amount in respect of all outstanding shares of Series C Preferred Stock and the aggregate Series B-1 Liquidation Amount in respect of all outstanding shares of Series B-1 Preferred Stock, the holders of shares of Series B-2 Preferred Stock shall share ratably in all distributions of such assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Series B-2 Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares of Series B-2 Preferred Stock were paid in full.

2.1.5 In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock, the aggregate Series C Liquidation Amount in respect of all outstanding shares of Series C Preferred Stock, the aggregate Series B-1 Liquidation Amount in respect of all outstanding shares of Series B-1 Preferred Stock and the aggregate Series B-2 Liquidation Amount in respect of all outstanding shares of Series B-2 Preferred Stock and before any amount shall be paid or distributed to the holders of Common Stock, the holders of shares of Series A Preferred Stock then outstanding, by reason of their ownership of such stock, shall be entitled to be paid out of such remaining assets of the Corporation available for distribution to its stockholders, on a pari passu basis, an amount per share equal to (i) with respect to the Series A-1 Preferred Stock, the Series A-1 Original Issue Price plus any dividends declared but unpaid thereon (the **"Series A-1 Liquidation Amount**") and (ii) with respect to the Series A-2 Preferred Stock, the Series A-2 Original Issue Price plus any dividends declared but unpaid thereon (the "**Series A-2 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation, such assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1.5, after payment in full of the aggregate Series D Liquidation Amount in respect of all outstanding shares of Series D Preferred Stock, the aggregate Series C Liquidation Amount in respect of all

outstanding shares of Series C Preferred Stock, the aggregate Series B-1 Liquidation Amount in respect of all outstanding shares of Series B-1 Preferred Stock and the aggregate Series B-2 Liquidation Amount in respect of all outstanding shares of Series B-2 Preferred Stock, the holders of shares of Series A Preferred Stock shall share ratably in all distributions of such assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares of Series A Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares of Series A Preferred Stock were paid in full.

The "**Applicable Liquidation Amount**" shall mean (i) in the case of an amount payable with respect to each share of Series A-1 Preferred Stock, the Series A-1 Liquidation Amount; (ii) in the case of an amount payable with respect to each share of Series A-2 Preferred Stock, the Series A-2 Liquidation Amount, (iii) in the case of an amount payable with respect to each share of Series B-1 Preferred Stock, the Series B-1 Liquidation Amount, (iv) in the case of an amount payable with respect to each share of Series B-2 Preferred Stock, the Series B-2 Liquidation Amount, (v) in the case of an amount payable with respect to each share of Series C Preferred Stock, the Series C Liquidation Amount and (vi) in the case of an amount payable with respect to each share of Series D Preferred Stock, the Series D Liquidation Amount.

2.2 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of the aggregate Series D Liquidation Amount with respect to the holders of Series D Preferred Stock, the aggregate Series C Liquidation Amount to the holders of Series C Preferred Stock, the aggregate Series B-1 Liquidation Amount to the holders of Series B-1 Preferred Stock, the aggregate Series B-2 Liquidation Amount to the holders of Series B-2 Preferred Stock, the aggregate Series A-1 Liquidation Amount to the holders of Series A-1 Preferred Stock and the aggregate Series A-2 Liquidation Amount to the holders of Series A-2 Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares of Common Stock held by each such holder. Notwithstanding the foregoing Subsection 2.1 and the first sentence of this Subsection 2.2, for purposes of determining the amount that each holder of a particular series of Preferred Stock is entitled to receive in connection with any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each such holder of such series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of such series of Preferred Stock into shares of Common Stock at such time as such holder would receive, as a result of an actual conversion, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such shares of such series of Preferred Stock into shares of Common Stock. If any such holder of Preferred Stock shall be deemed to have converted such shares of Preferred Stock into Common Stock pursuant to the immediately preceding sentence, then such holder shall not be entitled to receive any distribution that would otherwise be made to such holder under Subsection 2.1.

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of at least (i) a majority of the shares of Common Stock issuable upon conversion of the then outstanding shares of Preferred Stock, voting together as a single class (the "**Requisite Investors**") and (ii) sixty percent (60%) of the then-outstanding shares of Series D Preferred Stock, exclusively and as a single class (the "**Series D Majority Investors**"), elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event (unless such notice period is otherwise shortened or waived in writing by the Requisite Investors and the Series D Majority Investors):

(a) a reorganization, merger or consolidation in which (i) the Corporation is a constituent party or (ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such reorganization, merger or consolidation, *other than* any such reorganization, merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such reorganization, merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such reorganization, merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such reorganization, merger or consolidation, the parent corporation of such surviving or resulting corporation (*provided that*, for the purpose of this Section 2.3.1(a), all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such reorganization, merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such reorganization, merger or consolidation shall be deemed to be outstanding immediately prior to such reorganization, merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger 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.

2.3.2 Effecting a Deemed Liquidation Event.

(a) Unless the Requisite Investors elect otherwise by written notice to the Corporation, the Corporation shall not have the power to effect a Deemed Liquidation Event and no stockholder shall authorize or enter into any Deemed Liquidation Event

unless the consideration payable to the stockholders of the Corporation or the Corporation in such Deemed Liquidation Event shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) Except as otherwise approved by the Board of Directors (including at least two Series B Directors) and the Series D Majority Investors, in the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within twenty (20) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the twentieth (20th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) unless the Requisite Investors and the Series D Majority Investors agree otherwise in a written instrument delivered to the Corporation not later than thirty (30) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the sixtieth (60th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the Applicable Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall (i) first ratably redeem each holder's shares of Series D Preferred Stock to the fullest extent of such Available Proceeds, (ii) second (after redemption of all shares of Series D Preferred Stock) ratably redeem each holder's shares of Series C Preferred Stock to the fullest extent of the remaining Available Proceeds, (iii) third (after redemption of all shares of Series D Preferred Stock and Series C Preferred Stock) ratably redeem each holder's shares of Series B-1 Preferred Stock to the fullest extent of the remaining Available Proceeds, (iv) fourth (after redemption of all shares of Series D Preferred Stock, Series C Preferred Stock and Series B-1 Preferred Stock) ratably redeem each holder's shares of Series B-2 Preferred Stock to the fullest extent of the remaining Available Proceeds and (v) fifth (after redemption of all shares of Series D Preferred Stock, Series C Preferred Stock, Series B-1 Preferred Stock and Series B-2 Preferred Stock) ratably redeem each holder's shares of Series A Preferred Stock to the fullest extent of the remaining Available Proceeds, and shall redeem the remaining shares in such order of priority as soon as it may lawfully do so under Delaware law governing distributions to stockholders. The provisions of Section 6 shall apply, with such necessary changes in the details thereof as are necessitated by the context, to the redemption of the Preferred Stock pursuant to this Section 2.3.2(b). Prior to the distribution or redemption provided for in this Section 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event.

2.3.3 Amount Deemed Paid or Distributed. Subject to Subsection 2.3.4, the amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. Subject to Subsection 2.3.4, the value of such property, rights or securities shall be determined in good faith by the Board of Directors.

2.3.4 Allocation of Escrow. Notwithstanding any other provision set forth in this Section 2, in the event that any consideration payable to the Corporation or its stockholders in connection with any Deemed Liquidation Event is contingent upon the occurrence of any event or the passage of time, including, without limitation, any deferred purchase price payments, installment payments, payments made in respect of any promissory note issued in such transaction, payments from escrow, purchase price adjustment payments or payments in respect of "earnouts" or holdbacks (the "**Contingent Consideration**"), such Contingent Consideration shall not be deemed received by the Corporation or its stockholders or available for distribution to such stockholders unless and until such Contingent Consideration is indefeasibly received by the Corporation or its stockholders in accordance with the terms of such Deemed Liquidation Event. The definitive agreement with respect to such Deemed Liquidation Event shall provide that (a) the portion of such consideration that is not Contingent Consideration (the "**Initial Consideration**") shall be allocated among the stockholders of the Corporation in accordance with Section 2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any Contingent Consideration which becomes payable to the stockholders of the Corporation upon the release from escrow or the satisfaction of the applicable contingencies shall be allocated among the stockholders of the Corporation in accordance with Section 2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. In addition to any class or series voting right provided to the Requisite Investors or the holders of Preferred Stock under the Certificate of Incorporation, applicable law or otherwise, on any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter and 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 available on an as-converted to Common Stock basis (after aggregating all fractional shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole share (with one-half being rounded upward). Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series C Preferred Stock, exclusively and as a single class, shall be entitled to elect one (1) director of the Corporation (the "**Series C Director**"), the holders of record of the shares of Series B Preferred Stock, exclusively and as a single class, shall be entitled to elect three (3) directors of the Corporation (the "**Series B Directors**"), the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation, and the holders of record of the shares of Common Stock and Preferred Stock, voting together on an as-converted to Common Stock basis, shall be entitled to elect two (2) directors of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series C Preferred Stock, Series B Preferred Stock, Common Stock, or Common Stock and Preferred Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, each voting exclusively and as a separate class on, if applicable, an as-converted basis, pursuant to the first sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series C Preferred Stock, Series B Preferred Stock, Common Stock, or Common Stock and Preferred Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, each voting exclusively and as a separate class on an as-converted basis, if applicable, pursuant to the first sentence of this Subsection 3.2. The holders of record of the shares of Common Stock and any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Preferred Stock Protective Provisions.

3.3.1 At any time when any shares of Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, reclassification, reorganization or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Requisite Investors, given in writing or by vote at a meeting:

(a) liquidate, dissolve or wind up the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

(c) create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock or increase or decrease the authorized number of shares of any additional class or series of capital stock, or effect any stock split, combination or stock dividends on any series of Preferred Stock;

(d) (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Series B-1 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Series B-1 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock in respect of any such right, preference or privilege, or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the Series B-1 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or pari passu with the Series B-1 Preferred Stock, Series C Preferred Stock or Series D Preferred Stock in respect of any such right, preference or privilege;

(e) purchase or redeem (or permit any subsidiary to purchase or redeem from any person other than the Corporation) or pay or declare any dividend or make any distribution on, any shares of capital stock or other equity securities of the Corporation other than (i) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof ("**Equity Repurchases**"), (ii) the redemption of Preferred Stock in accordance with Section 2.3.2(b) or Section 6, or (iii) the payment or declaration of any dividends in accordance with Subsection 2.1 or Section 6;

(f) create, or authorize the creation of, or issue, or authorize the issuance of any indebtedness or any debt security, or permit any indebtedness or any subsidiary to take any such action with respect to any indebtedness or any debt security, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $500,000; provided, however, that this restriction shall not apply to any (i) trade accounts of the Corporation arising in the ordinary course of business, (ii) indebtedness to employees or other service providers as approved by the Board of Directors (including at least two Series B Directors) or (iii) indebtedness arising in strategic or intellectual property licensing transactions as approved by the Board of Directors (including at least two Series B Directors);

(g) (i) permit any subsidiary of the Corporation to authorize or issue any security to any person or entity other than to the Corporation or a wholly-owned subsidiary of the Corporation, or (ii) sell, assign, encumber, convey or otherwise dispose of any security of any subsidiary of the Corporation other than to a wholly-owned subsidiary of the Corporation;

(h) create any new stock or other equity incentive plan or authorize or issue any shares of Common Stock, Options or Convertible Securities to any employee, director, officer, consultant or advisor of the Corporation or any of its subsidiaries other than (x) shares of Common Stock or Options issued or granted pursuant to the Corporation's 2011 Stock Incentive Plan (the "**Equity Incentive Plan**") or (y) shares of Common Stock, Options or Convertible Securities to any consultant or advisor of the Corporation or any of its subsidiaries as approved by the Board of Directors (including at least two Series B Directors);

(i) increase (other than as a result of Equity Repurchases) the number of options or shares of capital stock reserved for issuance under the Stock Incentive Plan or other option plan or equity incentive plan;

(j) increase or decrease the authorized number of directors constituting the Board of Directors, unless approved by the Board of Directors (including at least two Series B Directors);

(k) create, or authorize the creation of, any new subsidiary of the Corporation, other than a wholly-owned (or wholly-owned but for a nominal share to meet international legal requirements) shell entity or enter into a partnership or joint venture, unless approved by the Board of Directors (including at least two Series B Directors); or

(l) enter into a material contract to purchase, sell, assign, transfer, license, pledge, hypothecate, grant a security interest in or otherwise acquire, dispose of, encumber, in whole or in part, any of the Corporation's material intellectual property, unless approved by the Board of Directors (including at least two Series B Directors).

3.3.2 At any time when any shares of Series C Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, reclassification, reorganization or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of at least fifty-five percent (55%) of the then-outstanding shares of Series C Preferred Stock, given in writing or by vote at a meeting:

(a) adversely alter or change the rights, preferences or privileges of the Series C Preferred Stock (it being understood, solely for the avoidance of doubt and without in any way expanding the foregoing restriction, that neither (i) the liquidation, dissolution, or winding up of the Corporation or the effectuation of any

Deemed Liquidation Event in accordance with the provisions of Section 2 nor (ii) the creation, issuance or authorization of any Common Stock or new series of Preferred Stock is such an alteration or change); or

(b) purchase or redeem (or permit any subsidiary to purchase or redeem from any person other than the Corporation) or pay or declare any dividend or make any distribution on, any shares of capital stock or other equity securities of the Corporation other than (i) any Equity Repurchase, (ii) the redemption of Preferred Stock in accordance with Section 2.3.2(b) or Section 6, or (iii) the payment or declaration of any dividends in accordance with Subsection 2.1 or Section 6;

(c) the authorization or consummation of a transaction described in Section 2.3.1(a) or (b) above, unless such transaction would result in consideration to the holders of the Series C Preferred Stock in an amount at least equal to the amount they would receive pursuant to Sections 2.1.2 and 2.2 if such event constituted a Deemed Liquidation Event and consideration payable to the stockholders of the Corporation in connection with such transaction(s) was allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2; or

(d) increase or decrease the authorized number of shares of Series C Preferred Stock.

3.3.3 At any time when any shares of Series D Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation, reclassification, reorganization or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Series D Majority Investors, given in writing or by vote at a meeting:

(a) adversely alter or change the rights, preferences or privileges of the Series D Preferred Stock (it being understood, solely for the avoidance of doubt and without in any way expanding the foregoing restriction, that neither (i) the liquidation, dissolution, or winding up of the Corporation or the effectuation of any Deemed Liquidation Event in accordance with the provisions of Section 2 and Section 3.3.3(c) nor (ii) the creation, issuance or authorization of any Common Stock or new series of Preferred Stock is such an alteration or change in and of itself);

(b) purchase or redeem (or permit any subsidiary to purchase or redeem from any person other than the Corporation) or pay or declare any dividend or make any distribution on, any shares of capital stock or other equity securities of the Corporation other than (i) any Equity Repurchase, (ii) the redemption of Preferred Stock in accordance with Section 2.3.2(b) or Section 6, or (iii) the payment or declaration of any dividends in accordance with Subsection 2.1 or Section 6;

(c) the authorization or consummation of a transaction described in Section 2.3.1(a) or (b) above, unless such transaction would result in consideration to the holders of the Series D Preferred Stock in an amount at least equal to

the amount they would receive pursuant to Sections 2.1.1 and 2.2 if such event constituted a Deemed Liquidation Event and consideration payable to the stockholders of the Corporation in connection with such transaction(s) was allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1 and 2.2; or

(d) increase or decrease the authorized number of shares of Series D Preferred Stock.

4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (a) the Series B-1 Original Issue Price by the Applicable Conversion Price (as defined below) for each of Series A Preferred Stock and Series B Preferred Stock in effect at the time of conversion, (b) the Series C Original Issue Price by the Applicable Conversion Price for Series C Preferred Stock in effect at the time of conversion and (c) the Series D Original Issue Price by the Applicable Conversion Price for Series D Preferred Stock in effect at the time of conversion. The conversion price applicable to the Preferred Stock (the "**Applicable Conversion Price**") shall initially be (i) $3.084396 per share of Series A Preferred Stock, (ii) $3.084396 per share of Series B Preferred Stock, (iii) $5.309387 per share of Series C Preferred Stock and (iv) $9.345101 per share of Series D Preferred Stock. The Applicable Conversion Price of each series of Preferred Stock and the rate at which shares of such series of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock pursuant to Section 6, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing

any Applicable Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of such series of Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Applicable Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock and the applicable series thereof accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Applicable Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Applicable Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series D Original Issue Date**" shall mean the date on which the first share of Series D Preferred Stock was issued pursuant to the Purchase Agreement.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock, including any series of Preferred Stock that is not convertible into Common Stock, issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series D Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) Shares of Common Stock issued as a dividend or distribution on all shares of Preferred Stock on a pro rata basis on an as-converted basis;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors, including at least two Series B Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options outstanding as of the Series D Original Issue Date or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities outstanding as of the Series D Original Issue Date, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security in effect as of the Series D Original Issue Date;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors, including at least two Series B Directors;

(vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third party service providers as consideration for the provision of

goods or services pursuant to transactions approved by the Board of Directors, including at least two Series B Directors; or

(vii) shares of Common Stock issued upon conversion of any shares of Preferred Stock outstanding as of the Series D Original Issue Date; or

(viii) shares of Series D Preferred Stock issued pursuant to the Purchase Agreement and shares of Common Stock issuable upon conversion thereof.

(e) "**Purchase Agreement**" shall mean that certain Series D Preferred Stock Purchase Agreement dated as of June 12, 2015, by and among the Corporation and the other parties named therein.

4.4.2 No Adjustment of Applicable Conversion Price. No adjustment to any Applicable Conversion Price other than the conversion price of the Series D Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if prior to such issuance or deemed issuance, the Corporation receives written notice from the Requisite Investors specifically stating that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment to the Applicable Conversion Price of the Series D Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if prior to such issuance or deemed issuance, the Corporation receives written notice from the Series D Majority Investors specifically stating that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series D Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to any Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or

any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, such Applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Applicable Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing any Applicable Conversion Price to an amount which exceeds the lower of (i) such Applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) such Applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to any Applicable Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than such Applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series D Original Issue Date), are revised after the Series D Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to any Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, such Applicable Conversion Price shall be readjusted to such Applicable Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3**)**. If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to such Applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Applicable Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series D Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Applicable Conversion Price in effect immediately prior to such issue, then the Applicable Conversion Price for each series of Preferred Stock shall be reduced, concurrently with such issue, to a price determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the Applicable Conversion Price for each series of Preferred Stock in effect immediately after such issue of Additional Shares of Common Stock

(b) "CP_1" shall mean the Applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the

exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series D Original Issue Date effect a subdivision of the outstanding Common Stock, the Applicable Conversion Price for each series of Preferred Stock in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series D Original Issue Date combine the outstanding shares of Common Stock, the Applicable Conversion Price for each series of Preferred Stock in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series D Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Conversion Price for each series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying such Applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price for each series of Preferred Stock shall be recomputed accordingly as of the close of business on such record date and thereafter such Applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made if the holders of Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock and/or Series D Preferred Stock, as applicable, simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series B-1 Preferred Stock, Series B-2 Preferred Stock, Series C Preferred Stock and/or Series D Preferred Stock, as applicable, had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series D Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of the applicable series of such Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of

the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which each series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Applicable Conversion Price of such series of Preferred Stock then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such series of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, unless the Requisite Investors elect otherwise, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or

winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice, except as expressly waived in writing by the Requisite Investors.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $50,000,000 of gross proceeds to the Corporation and after which the Common Stock is listed on the New York Stock Exchange, the NASDAQ Global Market or another internationally recognized stock exchange, or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Requisite Investors and the Series D Majority Investors (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid

dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. Redemption.

6.1 Redemption. Shares of Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock shall be redeemed by the Corporation out of funds lawfully available therefor at a per share price equal to the Applicable Original Issue Price, plus any Series B-1 Accruing Dividends, Series B-2 Accruing Dividends, Series C Accruing Dividends and Series D Accruing Dividends, as applicable, accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "**Redemption Price**"), in three annual installments commencing not more than sixty (60) days after receipt by the Corporation at any time on or after June 12, 2020 from the Requisite Investors and the Series D Majority Investors, of written notice requesting redemption of all shares of Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock. The date of each such installment shall be referred to as a "**Redemption Date**." On each Redemption Date, the Corporation shall redeem, in accordance with the number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock owned by each holder, that number of outstanding shares of Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock determined by dividing (i) the total number of shares of the Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock outstanding immediately prior to such Redemption Date by (ii) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies); *provided*, *however*, that Excluded Shares (as such term is defined in Section 6.2) shall not be redeemed and shall be excluded from the calculations set forth in this sentence. Each annual installment shall be paid first to the holders of the then-outstanding Series D Preferred Stock that are not Excluded Shares (the "**Redeemable Series D Shares**") such that the holders of Series C Preferred Stock and Series B Preferred Stock shall not receive an annual installment for a given year until all of the Redeemable Series D Shares have been redeemed. After the redemption of all of the Redeemable Series D Shares, each remaining annual installment shall be paid first to the holders of the then-outstanding shares of Series C Preferred Stock that are not Excluded Shares (the "**Redeemable Series C Shares**") and then to the holders of the then-outstanding shares of Series B Preferred Stock that are not Excluded Shares such that the holders of Series B Preferred Stock shall not receive an annual installment for a given year until the holders of the Redeemable Series C Shares have received in full their annual installment for such year and all previous years. If the Corporation does not have sufficient funds legally available to redeem on any Redemption Date all shares to be redeemed on such Redemption Date, the Corporation shall, subject to the preceding sentence in relation to the order of redemption, redeem all of the shares of Preferred Stock of a particular series being redeemed on such Redemption Date pro rata (each based on the portion of the Redemption Price payable to them) to the extent possible applying all legally available funds, based on the respective amounts which would

otherwise be payable in respect of the shares to be redeemed if the legally available funds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

6.2 Redemption Notice. The Corporation shall send written notice of the mandatory redemption (the "Redemption Notice") to each holder of record of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock not less than forty (40) days prior to each Redemption Date. Each Redemption Notice shall state:

(a) the number of shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice;

(b) the Redemption Date and the Redemption Price;

(c) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(d) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock to be redeemed.

If the Corporation receives, on or prior to the 20th day after the date of delivery of the Redemption Notice to a holder of Preferred Stock, written notice from such holder that such holder elects to be excluded from the redemption provided in this Section 6, then the shares of Preferred Stock registered on the books of the Corporation in the name of such holder at the time of the Corporation's receipt of such notice shall thereafter be "**Excluded Shares**." Excluded Shares shall not be redeemed or redeemable pursuant to this Section 6, whether on such Redemption Date or thereafter, and the election by such holder to exclude such holder's shares of Preferred Stock from redemption under this Section 6 shall be irrevocable.

6.3 Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred

Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock shall promptly be issued to such holder.

6.4 Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor. In the event that shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock are not redeemed on a Redemption Date, such shares of Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock shall remain outstanding and shall be entitled to all of the rights, preferences and privileges provided herein until redeemed.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock and Common Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock or Common Stock following redemption.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: The Corporation shall indemnify its directors and officers, and shall provide advancement of the expenses of such persons, to the fullest extent provided by the General Corporation Law. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) agents of the Corporation (and any other persons to which the General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by the General Corporation Law, subject only to limits created by applicable law (statutory or non-statutory), with respect to actions for breach of duty to the Corporation, its stockholders and others.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

ELEVENTH: Pursuant to Section 122(17) of the General Corporation Law, the Corporation hereby renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Corporation who is not an employee of the Corporation, or (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 (collectively, "**Covered Persons**"). To the fullest extent permitted by applicable law, no Covered Person shall have any duty to the Corporation to refrain from competing with the Corporation, making investments in the businesses that compete with those of the Corporation or otherwise engaging in any commercial activity in the ordinary course of business of such stockholder. To the fullest extent permitted by applicable law, no Covered Person shall be obligated to present any particular investment

opportunity to the Corporation even if such opportunity is of a character that, if presented to the Corporation, could be taken by the Corporation, and each such Covered Person shall continue to have the right for its own account or to recommend to others any such particular investment opportunity. For purposes of this Article Eleventh, the term "Corporation" shall include any of its subsidiaries.

TWELFTH: In connection with repurchases by the Corporation of its Common Stock from employees, officers, directors, advisors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment, Sections 502 and 503 of the California Corporations Code shall not apply in all or in part with respect to such repurchases.

* * *

4. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

5. That this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[*Signature appears on the following page.*]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this day of , 2015.

CYTOMX THERAPEUTICS, INC.

Sean McCarthy, D.Phil., President and Chief Executive Officer

[Signature Page to CytomX Amended and Restated Certification of Incorporation]

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
CYTOMX THERAPEUTICS, INC.
(a Delaware corporation)

(Pursuant to Sections 228, 242 and 245 of the
General Corporation Law of the State of Delaware)

CytomX Therapeutics, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "***DGCL***"), hereby certifies as follows:

1. The date of filing of the Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was September 16, 2010 under the name Cytomx Therapeutics, Inc. Thereafter, an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 22, 2010. Thereafter, an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on July 26, 2012. Thereafter, an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 22, 2014. Thereafter, an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on June 11, 2015. Thereafter, an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on , 2015 (the "***Prior Certificate***").

2. Pursuant to Sections 228, 242 and 245 of the DGCL, this Amended and Restated Certificate of Incorporation (this "***Restated Certificate***") restates and integrates and further amends the provisions of the Prior Certificate.

3. The text of the Prior Certificate is hereby amended and restated in its entirety to read as follows:

ARTICLE ONE

The name of this corporation is CytomX Therapeutics, Inc. (the "***Company***").

ARTICLE TWO

FIRST: The address of the Corporation's registered office in the State of Delaware is 615 South DuPont Highway, City of Dover, County of Kent, State of Delaware 19901. The name of its registered agent at such address is National Corporate Research, Ltd.

ARTICLE THREE

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

ARTICLE FOUR

A. The Company is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares that the Company is authorized to issue is 85,000,000 shares, 75,000,000 shares of which shall be Common Stock (the "***Common Stock***"), and 10,000,000 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Common Stock shall have a par value of $0.00001 per share and the Preferred Stock shall have a par value of $0.00001 per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing a certificate (a "***Preferred Stock Designation***") pursuant to the DGCL, to fix or alter from time to time the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions of any wholly unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE FIVE

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A.

1. The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted by the Board of Directors.

2. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the directors of the Corporation shall be divided into three classes as nearly equal in number as is practicable, hereby designated Class I, Class II and Class III. The Board is authorized to assign members of the Board already in office to such classes. The term of office of the initial Class I directors shall expire upon the election of directors at the first annual meeting of stockholders following the effectiveness of this Article Five; the term of office of the initial Class II directors shall expire upon the election of directors at the second annual meeting of stockholders following the effectiveness of this Article Five; and the term of office of the initial Class III directors shall expire upon the election of directors at the third annual meeting of stockholders following the effectiveness of this Article Five. At each annual meeting of stockholders, commencing with the first annual meeting of stockholders following the effectiveness of this Article Five, each of the successors elected to replace the directors of a class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Subject

to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

3. Subject to limitations imposed by law and the rights of the holders of any series of preferred stock of the Corporation, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of voting stock of the Company, entitled to vote at an election of directors (the "***Voting Stock***").

4. Subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, except as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

B.

1. The Bylaws may be altered or amended or new Bylaws adopted by the affirmative vote of at least a majority of the voting power of all of the then-outstanding shares of the Voting Stock. The Board of Directors shall also have the power to adopt, amend, or repeal Bylaws.

2. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

3. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws.

4. Special meetings of the stockholders of the Company may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) the procedures set forth in the Bylaws, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

5. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Company.

ARTICLE SIX

Meetings of stockholders of the Company may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Company may be kept (subject to any provision of applicable law) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws.

ARTICLE SEVEN

A. A director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for any breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL 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 shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

B. Any repeal or modification of this Article Seven shall be prospective and shall not affect the rights under this Article Seven in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

ARTICLE EIGHT

To the fullest extent permitted by applicable law, the Company is also authorized to provide indemnification of (and advancement of expenses to) its directors, officers and agents (and any other persons to which Delaware law permits the Company to provide indemnification) through Bylaw provisions, agreements with such directors, officers, agents or other persons, vote of stockholders or disinterested directors, or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the DGCL, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to the Company, its stockholders, and others. Any amendment, repeal or modification of any of the foregoing provisions of this Article Eight shall not adversely affect any right or protection of any director, officer, agent, or other person existing at the time of, or increase the liability of any director, officer or agent of the Company or other person with respect to any acts or omissions of such director, officer, agent or other person occurring prior to, such repeal or modification.

ARTICLE NINE

A. The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B of this Article Nine, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition

to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, this Certificate of Incorporation or any Preferred Stock Designation, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal Articles Five, Seven, Eight and Nine.

The undersigned, being the duly elected President and Chief Executive Officer of the Company, for the purpose of amending and restating the Prior Certificate, does make this Restated Certificate, hereby declaring and certifying that this is the act and deed of the Company and the facts stated in this Restated Certificate are true, and accordingly has hereunto executed this Restated Certificate as a duly authorized officer of the Company this day of , 2015.

CYTOMX THERAPEUTICS, INC.

Sean McCarthy, D.Phil., President and Chief Executive Officer

AMENDED AND RESTATED BYLAWS OF CYTOMX THERAPEUTICS, INC. (A DELAWARE CORPORATION)

Offices

Section 1. Registered Office. The registered office of CytomX Therapeutics, Inc. (the "Corporation") in the State of Delaware shall be as set forth in the Certificate of Incorporation of the Corporation, as amended from time to time (the "Certificate of Incorporation").

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or the business of the Corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the Corporation and the inscription, "Corporate Seal — Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

MEETINGS OF STOCKHOLDERS

Section 4. Place of Meetings. Meetings of the stockholders of the Corporation shall be held at such place, if any, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting shall not be held at any place, but may instead be held solely by means of remote communications, subject to such guidelines and procedures as the Board of Directors may adopt from time to time and in accordance with the General Corporation Law of the State of Delaware (the "General Corporation Law"). If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, to the extent authorized by the General Corporation Law, by means of remote communication (a) participate in a meeting of stockholders, and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication.

Section 5. Annual Meetings; Notice of Business to Be Brought Before an Annual Meeting; Notice of Nominations for Election to the Board of Directors.

(a) Annual Meetings. The annual meeting of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors.

(b) Notice of Business to Be Brought Before an Annual Meeting.

(1) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than nominations) must be: (A) brought before the meeting by the Corporation and specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (B) otherwise brought before the meeting by or at the direction of the Board of Directors; or (C) otherwise properly brought before the meeting by a stockholder of the Corporation who (i) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 5(b) and at the time of the meeting, (ii) is entitled to vote at the meeting and (iii) has complied with this Section 5(b) with respect to such business. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"), and included in the notice of meeting given by or at the direction of the Board of Directors, the foregoing clause (C) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with this Section 5(b). Stockholders seeking to nominate persons for election to the Board of Directors must comply with Section 5(c) and this Section 5(b) shall not be applicable to nominations except as expressly provided in Section 5(c).

(2) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (A) provide Timely Notice (as defined in this Section 5(b)(2)) thereof in writing and in proper form to the Secretary of the Corporation (the "Secretary") at the principal executive offices of the Corporation and (B) provide any updates and supplements to such notice at the times and in the forms required by Section 5(b)(4). To be timely, a stockholder's notice of business proposed to be brought before an annual meeting must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not less than ninety (90) days and not more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder, to be timely, must be so delivered, or so mailed and received, not later than the ninetieth (90th) day prior to such annual meeting

or, if later, the tenth (10th) day following the day on which "public disclosure" (as defined in this Section 5(b)(2)) of the date of such meeting was first made by the Corporation (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting, or the announcement thereof, commence a new time period (or extend any time period) for the giving of Timely Notice as described above. For purposes of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) To be in proper form for purposes of this Section 5(b), a stockholder's notice to the Secretary shall set forth:

(A) As to each Proposing Person (as defined in Section 5(b)(3)(D)), (i) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records) and (ii) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (i) and (ii) are referred to as "Stockholder Information");

(B) As to each Proposing Person, (i) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of the Corporation, including due to the fact that the value of such derivative, swap or other transactions are determined by reference to the price, value or volatility of any shares of any class or series of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the Corporation ("Synthetic Equity Interests"), which Synthetic Equity Interests shall be disclosed without regard to whether (a) the derivative, swap or other transactions convey any voting rights in such shares to such Proposing Person, (b) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (c) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transactions, (ii) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to vote any shares of any class or series of the Corporation, (iii) any agreement, arrangement, understanding or relationship, including any repurchase or similar

so-called “stock borrowing” agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the Corporation (“Short Interests”), (iv) any rights to dividends on the shares of any class or series of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (v) any performance related fees (other than an asset based fee) to which such Proposing Person is entitled based on any increase or decrease in the price or value of shares of any class or series of the Corporation, or any Synthetic Equity Interests or Short Interests, (vi) any significant equity interests or any Synthetic Equity Interests or Short Interests in any principal competitor of the Corporation held by such Proposing Persons, (vii) any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (viii) any pending or threatened litigation in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (ix) any material transaction occurring during the then immediately preceding twelve (12) month period between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, and (x) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the annual meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (i) through (x) are referred to as “Disclosable Interests”); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(C) As to each item of business that the stockholder proposes to bring before the annual meeting, (i) a reasonably brief description of such business, the reason or reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration), and (iii) a reasonably detailed description of all agreements, arrangements and understandings (a) between or among any of the Proposing Persons or (b) between or among any Proposing Person and any other person or persons (including their names) in connection with the proposal of such business by such stockholder.

(D) For purposes of this Section 5(b), the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, (iii) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act for purposes of these Bylaws) of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or beneficial owner (or any of their respective affiliates or associates) is Acting in Concert (as defined in Section 5(b)(3)(E)).

(E) A person shall be deemed to be "Acting in Concert" with another person for purposes of these Bylaws if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert with, or towards a common goal relating to the management, governance or control of the Corporation in parallel with, such other person where (i) each person is conscious of the other person's conduct or intent and this awareness is an element in their decision-making processes and (ii) at least one additional factor suggests that such persons intend to act in concert or in parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions, or making or soliciting invitations to act in concert or in parallel; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person.

(4) A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5(b) shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(5) Notwithstanding anything in these Bylaws to the contrary, except as otherwise required by law, if the stockholder (or a Qualified Representative (as defined in this Section 5(b)(5)) of the stockholder) giving notice of business proposed to be brought before an annual meeting of the stockholders does not appear at such annual meeting to present such proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of these Bylaws, to be considered a "Qualified Representative" of the stockholder, a person must be authorized by a writing executed by such stockholder, or an electronic transmission delivered by such stockholder, to act for such stockholder as proxy at the meeting of the stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of the stockholders.

(6) Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of any annual meeting of the stockholders shall have the power and duty to determine whether any business proposed to be brought before the meeting has been brought in compliance with these Bylaws and, if any such proposed business is not in compliance with these Bylaws, to declare that such defective proposal of business shall not be transacted.

(7) Notwithstanding anything in these Bylaws to the contrary, a stockholder giving notice of business proposed to be brought before an annual meeting shall also comply with all applicable requirements of the Exchange Act with respect to such business; provided, however, that any references in these Bylaws to the Exchange Act are not intended to and shall not limit the separate and additional requirements set forth in these Bylaws with respect to proposals of business. Nothing in these Bylaws shall be deemed to affect any rights (i) of any stockholder to request inclusion of proposals in the Corporation's proxy statement in accordance with Rule 14a-8 under the Exchange Act or (ii) of any holder of any series of preferred stock of the Corporation if and to the extent provided under law, the Certificate of Incorporation or these Bylaws. Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any proposal of business.

(c) Notice of Nominations for Election to the Board of Directors.

(1) Nominations of any person for election to the Board of Directors at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the Chairman of the Board of Directors, the Chief Executive Officer, the Board of Directors or the Secretary, as the case may be) may be made at such meeting only (A) by or at the direction of the Board of Directors or (B) by a stockholder who (i) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 5(c) and at the time of the meeting, (ii) is entitled to vote at the meeting, and (iii) has complied with this Section 5(c) as to such nomination. The foregoing clause (B) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting or special meeting.

(2) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting, the stockholder must (A) provide Timely Notice (as defined in Section 5(b)(2)) thereof in writing and in proper form to the Secretary at the principal executive offices of the Corporation and (B) provide any updates or supplements to such notice at the times and in the forms required by Section 5(c)(5). Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the Chairman of the Board of Directors, the Chief Executive Officer, the Board of Directors or the Secretary, as the case may be, then for a stockholder to make any nomination of a person or persons (as the case may be) for election to the Board of Directors at a special meeting, as specified in the notice of meeting, the stockholder must (i) provide timely notice thereof in writing and in proper form to the Secretary at the principal executive offices of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by Section 5(c)(5). To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 5(b)(2)) of the date of such special meeting was first made. In no event shall any adjournment of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(3) To be in proper form for purposes of this Section 5(c), a stockholder's notice for nominations to be made at a special meeting shall:

(A) As to each Nominating Person (as defined in Section 5(c)(4)), set forth the Stockholder Information (as defined in Section 5(b)(3)(A), except that for purposes of this Section 5(c) the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 5(c)(3)(A));

(B) As to each Nominating Person, set forth any Disclosable Interests (as defined in Section 5(b)(3)(B), except that for purposes of this Section 5(c) the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 5(b)(3)(B) and the disclosure in clause (x) of Section 5(b)(3)(B) shall be made with respect to the election of directors at the meeting);

(C) As to each person whom a Nominating Person proposes to nominate for election as a director, set forth (i) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Section 5(c) if such proposed nominee were a Nominating Person, (ii) all information relating to such proposed nominee that is required to

be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among any Nominating Person, on the one hand, and each proposed nominee, his or her respective affiliates and associates and any other persons with whom such proposed nominee (or any of his or her respective affiliates and associates) is Acting in Concert (as defined in Section 5(b)(3)(E)), on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant (the disclosures to be made pursuant to the foregoing clauses (i) through (iii) are referred to as "Nominee Information"), and (iv) a completed and signed questionnaire, representation and agreement as provided in Section 5(c)(7); and

(D) With respect to each nominee for election to the Board of Directors, include a completed and signed questionnaire, representation and agreement as required by Section 5(c)(7).

The Corporation may require any proposed nominee to furnish such other information (i) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's Corporate Governance Policy Statement or (ii) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

(4) For purposes of this Section 5(c), the term "Nominating Person" shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, (iii) any affiliate or associate of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or such beneficial owner (or any of their respective affiliates or associates) is Acting in Concert.

(5) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 5(c) shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight

(8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(6) Notwithstanding anything in these Bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with this Section 5(c). Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of any annual or special meeting of the stockholders shall have the power and duty to determine whether any nomination to be made at the meeting has been made in compliance with these Bylaws and, if any such nomination is not in compliance with these Bylaws, to declare that such defective nomination shall be disregarded.

(7) To be eligible to be a nominee for election or reelection as a director of the Corporation, the proposed nominee must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 5(c)) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such proposed nominee (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in form provided by the Secretary upon written request) that such proposed nominee (A) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or persons other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation that has not been fully disclosed to the Corporation and (C) in such proposed nominee's individual capacity and on behalf of the stockholder (or the beneficial owner, if different) on whose behalf the nomination is made, would be in compliance, if elected as a director of the Corporation, and will comply with the Corporation's Corporate Governance Policy Statement, Code of Business Conduct and Ethics and Security Trading Policy and with all other applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(8) Notwithstanding anything in these Bylaws to the contrary, a stockholder giving notice of a nomination to be made at an annual or special meeting shall also comply with all applicable requirements of the Exchange Act with respect to such nomination; provided, however, that any references in these Bylaws to the Exchange Act are not intended to and shall not limit the separate and additional requirements set forth in these Bylaws with respect to nominations. Nothing in these Bylaws shall be deemed to

affect any rights of any holder of any series of preferred stock of the Corporation if and to the extent provided under law, the Certificate of Incorporation or these Bylaws. Nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of a person for election to the Board of Directors.

Section 6. Special Meetings. Unless otherwise required by law or by the Certificate of Incorporation (including, without limitation, the terms of any certificate of designation with respect to any series of preferred stock), as amended and restated from time to time, special meetings of the stockholders of the Corporation, for any purpose or purposes, may be called only by the Chairperson of the Board, the Chief Executive Officer or the Board. The ability of the stockholders of the Corporation to call a special meeting of stockholders is hereby specifically denied. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting. The Chairperson of the Board, the Chief Executive Officer or the Board may postpone, reschedule or cancel any special meeting of stockholders previously called by any of them.

Section 7. Notice of Meetings. Unless otherwise required by law, notice of each meeting of stockholders shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining stockholders entitled to notice of the meeting), and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by law, the Certificate of Incorporation or these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum for the transaction of business. Where a separate vote by a class or classes or series is required, except where otherwise provided by law, the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting. In the absence of a quorum of the holders of any class of stock entitled to vote on a matter, the meeting of such class may be adjourned from time to time in the manner provided by Section 9 and Section 14 of these Bylaws until a quorum of such class shall be so present or represented. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares casting votes. When a meeting is adjourned to another date, time or place, notice need not be given of the adjourned meeting if

the time and place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date for determination of stockholders entitled to vote at the meeting is fixed for the adjourned meeting, notice of the place, if any, date and time of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxy holders, may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity with these Bylaws.

Section 10. Voting Rights; Proxies. Unless otherwise provided in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one (1) vote for each share of stock held by such stockholder which has voting power upon the matter in question. If the Certificate of Incorporation provides for more or less than one (1) vote for any share on any matter, every reference in these Bylaws to a majority or other proportion of shares of stock shall refer to such majority or other proportion of the votes of such shares of stock. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the Corporation on the record date for determining stockholders entitled to vote, as determined in accordance with Section 36 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person or by a proxy granted in accordance with the General Corporation Law. No proxy shall be voted after three (3) years from its date of creation, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary. Voting at meetings of stockholders need not be by written ballot unless so directed by the chairman of the meeting or the Board of Directors. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, any question or matter submitted to a vote of stockholders, including the election of directors, shall be approved by the holders of a majority of the votes cast thereon, with all shares of common stock of the Corporation and other stock of the Corporation entitled to vote on such matter considered for this purpose as a single class. Where a separate vote by class or classes is required, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, any question or matter submitted to a vote of stockholders in that class or classes entitled to vote on such matter shall be approved by the holders of a majority of the votes cast thereon. Notwithstanding the foregoing, directors shall be elected by a plurality of the votes cast if, as of the date of the meeting of the stockholders, the number of nominees exceeds the number of directors to be elected. For purposes of this Section 10, unless otherwise required by applicable law or any rules or regulations of any stock exchange applicable to the Corporation or its stock, neither abstentions nor broker non-votes shall count as votes cast and, in relation to the election of a director at a meeting where the number of nominees does not exceed the number of directors to be elected, a majority of votes cast shall mean that the number of shares voted "For" a director's election exceeds fifty percent

(50%) of the number of votes cast with respect to that director's election, with votes cast including votes "Against" and excluding abstentions and broker non-votes with respect to that director's election.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his or her act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Court of Chancery of the State of Delaware for relief as provided in the General Corporation Law, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network, provided, that the information required to gain access to such list is provided with the notice of meeting, or (b) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 12 or to vote in person or by proxy at any meeting of stockholders.

Section 13. Action without Meeting. No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer, or, if the Chief

Executive Officer is absent, a chairman of the meeting chosen by the Board of Directors, or, in the absence of that person or the failure of the Board of Directors to designate a person, the person chosen by a majority of the Corporation's shares present in person or represented by proxy at the meeting and entitled to vote, shall act as chairman of the meeting. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the chairman of the meeting, shall act as secretary of the meeting, but in the absence of a Secretary and any Assistant Secretary the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) The Board of Directors of the Corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to adjourn a meeting of stockholders without a vote of stockholders and to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

(c) The Corporation shall, in advance of any meeting of the stockholders, appoint one or more inspectors of election to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting may, and to the extent required by law, shall, appoint one or more inspectors of election to act at the meeting. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of inspectors. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (1) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (2) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (3) count all votes and ballots, (4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (5) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors of the Corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders unless so required by the Certificate of Incorporation. Each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 16. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

Section 17. Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of preferred stock of the Corporation, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes, and any newly created directorships resulting from any increase in the number of directors shall be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the unexpired term in which the vacancy occurred or newly created directorship was created and until such director's successor shall have been elected and qualified.

Section 18. Resignation. Any director may resign at any time by delivering his or her written resignation or electronic transmission thereof to the Chairman of the Board of Directors, the Chief Executive Officer, the Secretary or the Board of Directors, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, the resignation shall be deemed effective when delivered. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his or her successor shall have been duly elected and qualified.

Section 19. Removal. Subject to any limitations imposed by law and the rights of the holders of any series of preferred stock of the Corporation, the Board of Directors or any individual director may be removed from office at any time without cause by the affirmative vote of the holders of a majority of the voting power of all the then-outstanding shares of voting stock of the Corporation, entitled to vote at an election of directors.

Section 20. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held immediately before or after the annual meeting of stockholders. No notice of an annual meeting of the Board of Directors shall be necessary other than this Bylaw and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Regular meetings of the Board of Directors shall be held at the date, time and place, either within or without the State of Delaware, as the Board of Directors may from time to time determine, and if so determined notice thereof need not be given.

(c) Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chief Executive Officer or any two of the directors, and subject to the delivery or waiver of notice of such special meeting in accordance with the General Corporation Law and these Bylaws, shall be held on such date, at such time and at such place, within or without the State of Delaware, as such person or persons shall fix.

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) Notice of Special Meetings. Notice of the date, time and place of all special meetings of the Board of Directors shall be given to each director orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting, or sent in writing to each director by first class mail, postage prepaid, at least three (3) days before the date of the meeting. Such notice need not describe the purpose of, or the business to be transacted at, the meeting.

Section 21. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors (including any vacancies) in accordance with the Certificate of Incorporation; provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 22. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, 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 of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings (or electronic transmission(s)) are filed with the minutes of proceedings of the Board of Directors or committee.

Section 23. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a standing or special committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 24. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and 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 (1) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law to be submitted to stockholders for approval, or (2) adopting, amending or repealing any Bylaw of the Corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be provided in a resolution of the Board of Directors, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to the provisions of Section 24(a) and Section 24(b), may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his or her death, voluntary resignation from the committee or from the Board of Directors, removal from such committee or the Board of Directors, or disqualification as a member of the committee. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal, disqualification or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 24 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when such regular meeting is called by resolution of the Board of Directors or by any such committee, or when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any date, time and place as may be called by the Board of Directors or any director who is a member of such committee, upon notice to the members of such committee of the date, time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the date, time and place of special meetings of the Board of Directors. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee, and in other respects each committee shall conduct its business in the same manner as the Board conducts its business pursuant to this Article IV of these Bylaws.

Section 25. Organization; Chairman of the Board of Directors.

(a) The Corporation may have, at the discretion of the Board of Directors, a Chairman of the Board of Directors. The Chairman of the Board of Directors shall be appointed by the Board of Directors. The Chairman of the Board of Directors may be, but need not be, an officer or employee of the Corporation. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman of the Board of Directors has not been appointed or is absent, the Chief Executive Officer, or if the Chief Executive Officer is absent, the most senior Vice President, or, in the absence of any such officer, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his or her absence, an Assistant Secretary directed to do so by the chairman of the meeting, shall act as secretary of the meeting.

(b) The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders as prescribed in Section 14 of these Bylaws. The Chairman of the Board of Directors shall perform such other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors shall designate from time to time. If there is no Chief Executive Officer, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in Section 27(b) hereof.

ARTICLE V

OFFICERS

Section 26. Officers Designated. The officers of the Corporation shall include, if and when designated by the Board of Directors, a Chairman of the Board of Directors, who shall be a member of the Board, the Chief Executive Officer, the President, one or more Vice Presidents,

the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be elected by the Board of Directors at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors or a committee authorized to do so by the Board of Directors.

Section 27. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. In addition to the following authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors or a committee authorized to make such designations by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected President of the Corporation, the Chief Executive Officer shall be the President of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. The Chief Executive Officer shall perform other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties, and have such other powers, as the Board of Directors or the President shall designate from time to time.

(d) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the Corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him or her in these Bylaws and other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(e) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to his or her office and shall also perform such other duties, and have such other powers, as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 28. Delegation of Authority. The Board of Directors or a committee authorized to do so by the Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 29. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

Section 30. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors. Any removal shall be without prejudice to the rights, if any, of the person so removed under any contract with the Corporation.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 31. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such

execution or signature shall be binding upon the Corporation. Such designation may be general or confined to specific instances. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the Corporation, shall be executed, signed or endorsed by the Chairman of the Board of Directors, or the Chief Executive Officer or any Vice President, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors. All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do. Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 32. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations or entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Executive Officer, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 33. Form and Execution of Certificates. Shares of the capital stock of the Corporation shall be represented by certificates; provided, however, the Board of Directors may provide by resolution that some or all of any or all classes or series of its stock shall be uncertificated shares. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors, or the Chief Executive Officer or any Vice President, and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him or her in the Corporation. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Any or all of the signatures on the certificates may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he or she were such officer, transfer agent, or registrar at the date of issue.

Section 34. Lost Certificates. A new certificate or certificates or uncertificated shares may be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the

person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates or uncertificated shares, the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 35. Transfers.

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares (or, in the case of uncertificated shares, in accordance with applicable law).

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law.

Section 36. Fixing Record Dates for Stockholder Notice; Voting. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board 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. 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, the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

Section 37. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 38. Execution of Other Securities. All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 33), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; provided, however, where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible, facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. Such authorization may be general or confined to specific instances. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE IX

DIVIDENDS

Section 39. Declaration of Dividends; Fixing Record Dates for Distributions. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting of the Board of Directors. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 40. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 41. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 42. Indemnification of Directors, Officers, Employees and Agents.

(a) Directors and Executive Officers. The Corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the fullest extent permitted by the General Corporation Law; provided, however, the Corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; provided, further, except to the extent required by such individual contracts, the Corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized in the first instance by the Board of Directors, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the General Corporation Law or (iv) such indemnification is required to be made under paragraph (d) of this Section 42.

(b) Other Officers, Employees and Agents. The Corporation shall have power to indemnify its other officers, employees and agents to the fullest extent permitted by the General Corporation Law.

(c) Expenses. The Corporation shall advance to 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, by reason of the fact that he is or was a director or executive officer 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, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by such person in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this

Section 42 or otherwise. Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 42, no advance shall be made by the Corporation to an executive officer of the Corporation or to any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, (except by reason of the fact that such person is or was a director of the Corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Section 42 shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the person entitled thereto. Any right to indemnification or advances granted by this Section 42 to such person shall be enforceable by or on behalf of such person in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled, to the fullest extent permitted by law, to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the Corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the General Corporation Law for the Corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the Corporation or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director of the Corporation) for advances, the Corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(e) Non-Exclusivity of Rights; Individual Contracts. The rights conferred on any person by this Section 42 shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his

official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent permitted by the General Corporation Law, and any such individual contract with such person shall supersede all rights conferred on such person by this Section 42 to the extent so provided therein, except as otherwise required by the General Corporation Law.

(f) Survival of Rights. The rights conferred on any person by this Section 42 shall continue as to a person who has ceased to be a director, officer, employee or agent of the Corporation (or who has ceased to serve, at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall inure to the benefit of the heirs, executors and administrators of such person.

(g) Insurance. To the fullest extent permitted by the General Corporation Law, the Corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 42.

(h) Amendments. Any repeal or modification of this Section 42 shall only be prospective and shall not affect the rights under this Section 42 in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the Corporation.

(i) Saving Clause. If this Section 42 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director and executive officer to the full extent permitted by any applicable portion of this Section 42 that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Article XI, the following definitions shall apply: (1) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative. (2) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding. (3) The term “the Corporation” shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article XI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued. (4) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the Corporation shall include, without limitation, situations where such person is serving at the request of the Corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another

corporation, partnership, joint venture, trust or other enterprise. (5) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article XI.

ARTICLE XII

NOTICES

Section 43. Notices.

(a) Notice to Stockholders. Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in a United States post office or official depository, postage prepaid, and addressed to his or her last known post office address as shown by the stock record of the Corporation or its transfer agent, or by electronic transmission in accordance with the General Corporation Law.

(b) Notice to Directors. Any notice required to be given to any director may be given personally or by any method stated in Section 43(a) or, with respect to special meetings, Section 20(e); provided, that any notice delivered by mail shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing or Electronic Transmission. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be *prima facie* evidence of the facts therein contained. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

(d) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given when deposited, postage prepaid, in a United States post office or official depository, and all notices given by electronic transmission shall be deemed to have been given at the times provided in the General Corporation Law.

(e) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors or stockholders, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(f) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him or her in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(g) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(h) Notice to Person with Undeliverable Address. Whenever notice is required to be given, under any provision of law or the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two (2) consecutive annual meetings and all notices of meetings to such person during the period between such two (2) consecutive annual meetings, or (2) all, and at least two (2), payments (if sent by first class mail) of dividends or interest on securities during a twelve-month period, have been mailed addressed to such person at his or her address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the Corporation a written notice setting forth his or her then current address, the requirement that notice be given to such person shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the General Corporation Law, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to this Section 43(h).

(i) Waiver. Whenever notice is required to be given under any provision of the General Corporation Law, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any person so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

ARTICLE XIII

AMENDMENTS

Section 44. Amendments.

(a) By the Board of Directors. Subject to Section 42(h) of these Bylaws, these Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board of Directors.

(b) By the Stockholders. Subject to Section 42(h) of these Bylaws, these Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the affirmative vote of at least a majority of the voting power of all the then-outstanding shares of voting stock of the Corporation, entitled to vote at an election of directors.

ARTICLE XIV

LOANS TO OFFICERS

Section 45. Loans to Officers. The Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiaries, including any officer or employee who is a director of the Corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the Corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

ARTICLE XV

FORUM FOR ADJUDICATION OF DISPUTES

Section 46. Forum for Adjudication Of Disputes.

(a) Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (3) any action asserting a claim arising pursuant to any provision of the General Corporation Law or the Certificate of Incorporation or these Bylaws, (4) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or these Bylaws or (5) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware, or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware does not have jurisdiction, the United States District Court for the District of Delaware. Any person purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 46.

(b) If any action the subject matter of which is within the scope of Section 46(a) above is filed in a court other than the Court of Chancery of the State of Delaware, the Superior Court of the State of Delaware or the United States District Court for the District of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (1) the personal jurisdiction of the Court of Chancery of the State of Delaware, the Superior Court of the State of Delaware and the United States District Court for the District of Delaware in connection with any action brought in any such courts to enforce Section 46(a) above (an "Enforcement Action") and (2) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

(c) If any provision or provisions of this Section 46 shall be held to be invalid, illegal or unenforceable as applied to any person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Section 46 (including, without limitation, each portion of any sentence of this Section 46 containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons and circumstances shall not in any way be affected or impaired thereby.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

COMMON STOCK

PAR VALUE $0.00001

Certificate Number
ZQ00000000

CYTOMX THERAPEUTICS

CytomX Therapeutics, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

COMMON STOCK

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA; JERSEY CITY, NJ AND COLLEGE STATION, TX

Shares

THIS CERTIFIES THAT

CUSIP 23284F 10 5

SEE REVERSE FOR CERTAIN DEFINITIONS

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

is the owner of

***ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO***

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

CytomX Therapeutics, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME

President

FACSIMILE SIGNATURE TO COME

Secretary

CYTOMX THERAPEUTICS, INC. SEAL 2007 DELAWARE

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____ AUTHORIZED SIGNATURE

1234567

CYTOMX
THERAPEUTICS
PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP			XXXXXX XX X
Holder ID			XXXXXXXXXX
Insurance Value			1,000,000.00
Number of Shares			123456
DTC	12345678		123456789012345

Certificate Numbers	**Num/No.**	**Denom.**	**Total**
1234567890/1234567890	1	1	1
1234567890/1234567890	2	2	2
1234567890/1234567890	3	3	3
1234567890/1234567890	4	4	4
1234567890/1234567890	5	5	5
1234567890/1234567890	6	6	6
Total Transaction			7

CYTOMX THERAPEUTICS, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT - ..... (Cust) ..... Custodian ..... (Minor) ..... under Uniform Gifts to Minors Act ..... (State)
TEN ENT - as tenants by the entireties	
JT TEN - as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT - ..... (Cust) ..... Custodian (until age .....) ..... (Minor) ..... under Uniform Transfers to Minors Act ..... (State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that we report the cost basis of certain shares acquired after January 1, 2011. If your shares were covered by the legislation and you have sold or transferred the shares and requested a specific cost basis calculation method, we have processed as requested. If you did not specify a cost basis calculation method, we have defaulted to the first in, first out (FIFO) method. Please visit our website or consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with us or do not have any activity in your account for the time periods specified by state law, your property could become subject to state unclaimed property laws and transferred to the appropriate state.

154267

Exhibit 5.1

SIDLEY AUSTIN LLP
787 SEVENTH AVENUE
NEW YORK, NY 10019
+1 212 839 5300
+1 212 839 5599 FAX

BEIJING
BOSTON
BRUSSELS
CENTURY CITY
CHICAGO
DALLAS
GENEVA
HONG KONG
HOUSTON
LONDON
LOS ANGELES
NEW YORK
PALO ALTO
SAN FRANCISCO
SHANGHAI
SINGAPORE
SYDNEY
TOKYO
WASHINGTON, D.C.

FOUNDED 1866

September 28, 2015

CytomX Therapeutics, Inc.
343 Oyster Point Blvd.
Suite 100
South San Francisco, CA 94080

Re: 7,666,667 Shares of Common Stock, $0.00001 par value per share

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-1, File No. 333-206658, filed by CytomX Therapeutics, Inc., a Delaware corporation (the "Company"), with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), as amended by Amendment No. 1 filed with the SEC on September 11, 2015, Amendment No. 2 filed with the SEC on September 17, 2015 and Amendment No. 3 being filed with the SEC on the date hereof (as so amended, the "Registration Statement"). The Registration Statement relates to the registration under the Securities Act of 7,666,667 shares (including an aggregate of 1,000,000 shares that may be sold by the Company pursuant to the exercise of the underwriters' option to purchase additional shares under the Underwriting Agreement (as defined below)) of Common Stock, $0.00001 par value per share (the "New Shares"), of the Company. The New Shares are to be sold by the Company pursuant to an underwriting agreement among the Company and the Underwriters named therein, the form of which has been filed as Exhibit 1.1 to the Registration Statement (the "Underwriting Agreement").

This opinion letter is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

We have examined (i) the Registration Statement; (ii) the form of the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") of the Company to be filed with the Secretary of State of the State of Delaware prior to the closing of the sale of the New Shares contemplated by the Registration Statement, filed as Exhibit 3.4 to the Registration Statement; (iii) the form of the Amended and Restated Bylaws of the Company to be effective prior to the closing of the sale of the New Shares contemplated by the Registration Statement, filed as Exhibit 3.5 to the Registration Statement; (iv) the form of the Underwriting Agreement; and (v) the resolutions adopted by the board of directors of the Company relating to the Registration Statement and the issuance of the New Shares by the Company. We have also examined originals, or copies of originals certified to our satisfaction, of such agreements, documents, certificates and statements of the Company and other corporate documents and

instruments, and have examined such questions of law, as we have considered relevant and necessary as a basis for this opinion letter. We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of all persons and the conformity with the original documents of any copies thereof submitted to us for examination. As to facts relevant to the opinions expressed herein, we have relied without independent investigation or verification upon, and assumed the accuracy and completeness of certificates, letters and oral and written statements and representations of public officials and officers and other representatives of the Company. We have also assumed that the Certificate of Incorporation will be approved by all requisite action of the stockholders of the Company and will be duly filed with the Secretary of State of the State of Delaware prior to the sale of the New Shares.

Based on the foregoing, we are of the opinion that the New Shares will be validly issued, fully paid and non-assessable when: (i) the Registration Statement, as finally amended, shall have been declared effective under the Securities Act; (ii) the Company's board of directors or a duly authorized committee thereof shall have duly adopted final resolutions authorizing the issuance and sale of the New Shares as contemplated by the Registration Statement; and (iii) certificates representing the New Shares shall have been duly executed, countersigned and registered and duly delivered to the purchasers thereof against payment of the agreed consideration therefor in an amount not less than the par value thereof or, if any New Shares are to be issued in uncertificated form, the Company's books shall reflect the issuance of such New Shares to the purchasers thereof against payment of the agreed consideration therefor in an amount not less than the par value thereof, all in accordance with the Underwriting Agreement as executed and delivered by the parties thereto.

This opinion letter is limited to the General Corporation Law of the State of Delaware. We express no opinion as to the laws, rules or regulations of any other jurisdiction, including, without limitation, the federal laws of the United States of America or any state securities or blue sky laws.

We hereby consent to the filing of this opinion letter as an Exhibit to the Registration Statement and to all references to our Firm included in or made a part of the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Sidley Austin LLP

CYTOMX THERAPEUTICS, INC.

2015 EQUITY INCENTIVE PLAN

Adopted by Board: September 17, 2015
Termination Date: September 17, 2025

I. INTRODUCTION

1.1 Purposes. The purposes of the CytomX Therapeutics, Inc. 2015 Equity Incentive Plan as set forth herein (this "Plan") are (i) to align the interests of the Company's stockholders and the recipients of awards under this Plan by increasing the proprietary interest of such recipients in the Company's growth and success, (ii) to advance the interests of the Company by attracting and retaining Non-Employee Directors, officers, employees and other service providers and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders.

1.2 Certain Definitions.

"Agreement" shall mean an electronic or written agreement evidencing an award hereunder between the Company and the recipient of such award.

"Board" shall mean the Board of Directors of the Company.

"Bonus Shares" shall mean Shares which are not subject to a Restriction Period or Performance Measures.

"Bonus Share Award" shall mean an award of Bonus Shares under this Plan.

"Change in Control" shall have the meaning set forth in Section 5.8(b).

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Committee designated by the Board, or a subcommittee thereof, consisting of two or more members of the Board, each of whom is intended to be (i) a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act, (ii) an "outside director" within the meaning of Section 162(m) of the Code and (iii) "independent" within the meaning of the rules of the Nasdaq Global Market or any other stock exchange on which Shares are then traded.

"Company" shall mean CytomX Therapeutics, Inc., a Delaware corporation, or any successor thereto.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean the closing transaction price of a Share as reported on the Nasdaq Global Market on the date as of which such value is being determined or, if Shares are not listed on the Nasdaq Global Market**,** the closing transaction price of a Share on the

principal national stock exchange on which Shares are traded on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that if Shares are not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate and in compliance with Section 409A of the Code.

"Free-Standing SAR" shall mean an SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, Shares (which may be Restricted Shares) or, to the extent provided in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one Share on the date of exercise over the base price of such SAR, multiplied by the number of such SARs which are exercised.

"Incentive Stock Option" shall mean an option to purchase Shares that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

"Incumbent Director" shall have the meaning set forth in Section 5.8(b)(iii).

"Initial Public Offering" shall mean the initial public offering of the Company registered on Form S-1 (or any successor form under the Securities Act of 1933, as amended).

"Non-Employee Director" shall mean any director of the Company who is not an officer or employee of the Company or any Subsidiary.

"Nonqualified Option" shall mean an option to purchase Shares which is not an Incentive Stock Option.

"Performance Measures" shall mean the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the grant or exercisability of all or a portion of an option or SAR or (ii) during the applicable Restriction Period or Performance Period as a condition to the vesting of the holder's interest, in the case of a Restricted Share Award, of the Shares subject to such award, or, in the case of a Restricted Share Unit Award or Performance Unit Award, to the holder's receipt of the Shares subject to such award or of payment with respect to such award. To the extent necessary for an award to be qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder, such criteria and objectives shall be one or more of the following corporate-wide or subsidiary, division, operating unit or individual measures: the attainment by a Share of a specified Fair Market Value for a specified period of time; earnings per share; return to stockholders (including dividends); return on assets; return on equity; earnings of the Company before or after taxes and/or interest; revenues; expenses; market share; cash flow or cost reduction goals; interest expense; return on investment; return on investment capital; return on operating costs; economic value created; operating margin; gross margin; the achievement of annual operating profit plans; net income; earnings before interest, depreciation and/or amortization; operating earnings after interest expense and before incentives, and/or

extraordinary or special items; operating earnings; net cash provided by operations; and strategic business criteria, consisting of one or more objectives based on meeting specified market penetration, geographic business expansion goals, cost targets, days sales outstanding goals, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation and information technology, quality and quality audit scores, productivity, efficiency, and goals relating to acquisitions or divestitures, or any combination of the foregoing. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies (or a combination of such past and current performance). In addition to the ratios specifically enumerated above, performance goals may include comparisons relating to capital (including, but not limited to, the cost of capital), shareholders' equity, shares outstanding, assets or net assets, sales, or any combination thereof. The applicable performance measures may be applied on a pre- or post-tax basis and may be adjusted in accordance with Section 162(m) of the Code to include or exclude objectively determinable components of any performance measure, including, without limitation, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles ("Adjustment Events"). In the sole discretion of the Committee, unless such action would cause a grant to a covered employee to fail to qualify as qualified performance-based compensation under Section 162(m) of the Code, the Committee may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of any Adjustment Events. With respect to participants who are not "covered employees" within the meaning of Section 162(m) of the Code and who, in the Committee's judgment, are not likely to be covered employees at any time during the applicable Performance Period or during any period in which an award may be paid following a Performance Period, the performance goals may consist of any objective or subjective corporate-wide or subsidiary, division, operating unit or individual measures, whether or not listed herein. Performance goals shall be subject to such other special rules and conditions as the Committee may establish at any time; provided, however, that to the extent such goals relate to awards to "covered employees" within the meaning of Section 162(m) of the Code that are payable following the transition period described in Treasury regulation 1.162(m)-27(f), such special rules and conditions shall not be inconsistent with the provisions of Treasury regulation Section 1.162-27(e) or any successor regulation describing "qualified performance-based compensation."

"Performance Period" shall mean any period designated by the Committee during which (i) the Performance Measures applicable to an award shall be measured and (ii) the conditions to vesting applicable to an award shall remain in effect.

"Performance Unit" shall mean a right to receive, contingent upon the attainment of specified Performance Measures within a specified Performance Period, a specified cash amount or, in lieu thereof and to the extent set forth in the applicable award Agreement, Shares having a Fair Market Value equal to such cash amount.

"Performance Unit Award" shall mean an award of Performance Units under this Plan.

"Restricted Shares" shall mean Shares which are subject to a Restriction Period and which may, in addition thereto, be subject to the attainment of specified Performance Measures within a specified Performance Period.

"Restricted Share Award" shall mean an award of Restricted Shares under this Plan.

"Restricted Share Unit" shall mean a right to receive one Share or, in lieu thereof and to the extent set forth in the applicable award Agreement, the Fair Market Value of such Share in cash, which shall be contingent upon the expiration of a specified Restriction Period and which may, in addition thereto, be contingent upon the attainment of specified Performance Measures within a specified Performance Period.

"Restricted Share Unit Award" shall mean an award of Restricted Share Units under this Plan.

"Restriction Period" shall mean any period designated by the Committee during which (i) the Shares subject to a Restricted Share Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award, or (ii) the conditions to vesting applicable to a Restricted Share Unit Award shall remain in effect.

"SAR" shall mean a share appreciation right which may be a Free-Standing SAR or a Tandem SAR.

"Share" shall mean a share of the Common Stock, $0.00001 par value per share, of the Company, and all rights appurtenant thereto.

"Share Award" shall mean a Bonus Share Award, Restricted Share Award or Restricted Share Unit Award.

"Subsidiary" shall mean any corporation, limited liability company, partnership, joint venture or similar entity in which the Company owns, directly or indirectly, an equity interest possessing more than 50% of the combined voting power of the total outstanding equity interests of such entity.

"Substitute Award" shall mean an award granted under this Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an option or SAR.

"Tandem SAR" shall mean an SAR which is granted in tandem with, or by reference to, an option (including a Nonqualified Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, Shares (which may be Restricted Shares) or, to the extent provided in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one Share on the date of exercise over the base price of such SAR, multiplied by the number of Shares subject to such option, or portion thereof, which is surrendered.

"Tax Date" shall have the meaning set forth in Section 5.5.

"Ten Percent Holder" shall have the meaning set forth in Section 2.1(a).

1.3 Administration. This Plan shall be administered by the Committee. Any one or a combination of the following awards may be made under this Plan to eligible persons: (i) options to purchase Shares in the form of Incentive Stock Options or Nonqualified Options, (ii) SARs in the form of Tandem SARs or Free-Standing SARs, (iii) Share Awards in the form of Bonus Shares, Restricted Shares or Restricted Share Units and (iv) Performance Units. The Committee shall, subject to the terms of this Plan, select eligible persons for participation in this Plan and determine the form, amount and timing of each award to such persons and, if applicable, the number of Shares, the number of SARs, the number of Restricted Share Units and the number of Performance Units subject to such an award, the exercise price or base price associated with the award, the time and conditions of exercise or settlement of the award and all other terms and conditions of the award, including, without limitation, the form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, take action such that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding Restricted Shares or Restricted Share Units shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding award shall lapse and (iv) the Performance Measures (if any) applicable to any outstanding award shall be deemed to be satisfied at the target or any other level. The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan and may impose, incidental to the grant of an award, conditions with respect to the award. All such interpretations, rules, regulations and conditions shall be conclusive and binding on all parties.

The Committee may delegate some or all of its power and authority hereunder to the Board or, subject to applicable law, to the Chief Executive Officer and President or such other executive officer as the Committee deems appropriate; provided, however, that (i) the Committee may not delegate its power and authority to the Board or the President and Chief Executive Officer or other executive officer of the Company with regard to the grant of an award to any person who is a "covered employee" within the meaning of Section 162(m) of the Code or who, in the Committee's judgment, is likely to be a covered employee at any time during the period an award hereunder to such employee would be outstanding and (ii) the Committee may not delegate its power and authority to the President and Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in this Plan of an officer, director or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an award to such an officer, director or other person.

No member of the Board or Committee, and neither the Chief Executive Officer and President or any other executive officer to whom the Committee delegates any of its power and authority hereunder, shall be liable for any act, omission, interpretation, construction or determination made in connection with this Plan in good faith, and the members of the Board

and the Committee and the Chief Executive Officer and President and any other executive officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law (except as otherwise may be provided in the Company's Certificate of Incorporation or By-Laws, each as may be amended from time to time) and under any directors' and officers' liability insurance that may be in effect from time to time.

A majority of the Committee shall constitute a quorum. The acts of the Committee shall be either (i) acts of a majority of the members of the Committee present at any meeting at which a quorum is present or (ii) acts approved in writing by all of the members of the Committee without a meeting.

1.4 Eligibility. Participants in this Plan shall consist of such officers, Non-Employee Directors, employees, consultants, agents and independent contractors, and persons expected to become officers, Non-Employee Directors, employees, consultants, agents, and independent contractors of the Company and its Subsidiaries as the Committee in its sole discretion may select from time to time. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. For purposes of this Plan and except as otherwise provided for in an Agreement, references to employment by the Company shall also mean employment by a Subsidiary, and references to employment shall include service as a Non-Employee Director or independent contractor. The Committee shall determine, in its sole discretion, the extent to which a participant shall be considered employed during any periods during which such participant is on an approved leave of absence.

1.5 Shares Available. Subject to adjustment as provided in Section 5.7 and to all other limits set forth in this Section 1.5, **[insert seven percent (7%) of the total number of Shares outstanding immediately following the effectiveness of the Initial Public Offering]** Shares shall be available for awards under this Plan, other than Substitute Awards. The number of Shares that remain available for future grants under the Plan shall be reduced by the sum of the aggregate number of Shares which become subject to outstanding options, outstanding Free-Standing SARs and outstanding Share Awards and delivered upon the settlement of Performance Units. As of the first day of each calendar year beginning on or after January 1, 2016, the number of Shares available for all awards under the Plan, other than Incentive Stock Options, shall automatically increase by 4% of the number of Shares that are issued and outstanding as of such date, unless the Committee approves an increase of a lesser percentage prior to such date. To the extent that Shares subject to an outstanding option, SAR, Share Award or other award granted under the Plan are not issued or delivered by reason of (i) the expiration, termination, cancellation or forfeiture of such award (excluding Shares subject to an option cancelled upon settlement in Shares of a related tandem SAR or Shares subject to a tandem SAR cancelled upon exercise of a related option) or (ii) the settlement of such award in cash, then such Shares shall again be available under this Plan, other than for grants of Incentive Stock Options. Subject to the limit set forth above and to adjustment as provided in Section 5.7, the aggregate maximum number of Shares that may be issued pursuant to the exercise of Incentive Stock Options will be 2,481,268 Shares.

Notwithstanding anything in this Section 1.5 to the contrary, Shares subject to an award under this Plan may not be made available for issuance under this Plan if such shares are: (i) shares that were subject to a Share-settled SAR and were not issued upon the net settlement or net exercise of such SAR, (ii) shares used to pay the exercise price of an option, (iii) shares delivered to or withheld by the Company to pay withholding taxes related to an award under this Plan, or (iv) shares repurchased on the open market with the proceeds of an option exercise.

The number of Shares for awards under this Plan shall not be reduced by (i) the number of Shares subject to Substitute Awards or (ii) available shares under a stockholder approved plan of a company or other entity which was a party to a corporate transaction with the Company (as appropriately adjusted to reflect such corporate transaction) which become subject to awards granted under this Plan (subject to applicable stock exchange requirements).

Shares to be delivered under this Plan shall be made available from authorized and unissued Shares, or authorized and issued Shares reacquired and held as treasury shares or otherwise or a combination thereof.

1.6 Per Person Limits. To the extent necessary for an award to be qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder (i) the maximum number of Shares with respect to which options or SARs, or a combination thereof, may be granted during any fiscal year of the Company to any person shall be 1,417,867 Shares, subject to adjustment as provided in Section 5.7, (ii) the maximum number of Shares with respect to which Share Awards subject to Performance Measures or Performance Units denominated in Common Stock that may granted during any fiscal year of the Company to any person shall be 1,417,867 Shares, subject to adjustment as provided in Section 5.7, and (iii) the maximum amount that may be earned by any person with respect to Performance Units denominated in cash granted during any fiscal year of the Company to any person shall be $3,000,000 million; provided, however, that each of the per person limits set forth in this sentence shall be multiplied by two for awards granted to a participant in the year in which such participant's employment with the Company commences. The aggregate grant date fair value of Shares that may be granted during any fiscal year of the Company to any Non-Employee Director shall not exceed $600,000; provided, however, that (i) the limit set forth in this sentence shall be $1,200,000 in the year in which a Non-Employee Director commences service on the Board and (ii) the limits set forth in this sentence shall not apply to awards made pursuant to an election to receive the award in lieu of all or a portion of fees received for service on the Board or any committee thereunder.

II. OPTIONS AND SHARE APPRECIATION RIGHTS

2.1 Options. The Committee may, in its discretion, grant options to purchase Shares to such eligible persons as may be selected by the Committee. Each option, or portion thereof, that is not an Incentive Stock Option, shall be a Nonqualified Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under this Plan or any other plan of the Company, or any parent or Subsidiary) exceeds the amount (currently $100,000) established by the Code, such options shall constitute Nonqualified Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of Shares and Purchase Price. The number of Shares subject to an option and the purchase price per Share purchasable upon exercise of the option shall be determined by the Committee; provided, however, that the purchase price per Share purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such option; provided further, that if an Incentive Stock Option shall be granted to any person who, at the time such option is granted, owns capital stock possessing more than 10 percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or Subsidiary) (a "Ten Percent Holder"), the purchase price per Share shall not be less than the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

Notwithstanding the foregoing, in the case of an option that is a Substitute Award, the purchase price per Share of the Shares subject to such option may be less than 100% of the Fair Market Value per Share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate purchase price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate purchase price of such shares.

(b) Option Period and Exercisability. The period during which an option may be exercised shall be determined by the Committee; provided, however, that no option shall be exercised later than ten years after its date of grant; provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only with respect to whole Shares. Prior to the exercise of an option, the holder of such option shall have no rights as a stockholder of the Company with respect to the Shares subject to such option.

(c) Method of Exercise. An option may be exercised (i) by giving written notice to the Company specifying the number of whole Shares to be purchased and accompanying such notice with payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of Shares having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole Shares which would otherwise be delivered

having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) a combination of (A), (B) and (C), in each case to the extent set forth in the Agreement relating to the option, (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option and (iii) by executing such documents as the Company may reasonably request. Any fraction of a Share which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No Shares shall be issued and no certificate representing Shares shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

2.2 Share Appreciation Rights. The Committee may, in its discretion, grant SARs to such eligible persons as may be selected by the Committee. The Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR.

SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of SARs and Base Price. The number of SARs subject to an award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per Share of the related option. The base price of a Free-Standing SAR shall be determined by the Committee; provided, however, that such base price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such SAR.

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the base price per Share of the Shares subject to such SAR may be less than 100% of the Fair Market Value per Share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the Shares subject to the Substitute Award, over (b) the aggregate base price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate base price of such shares.

(b) Exercise Period and Exercisability. The period for the exercise of an SAR shall be determined by the Committee; provided, however, that no Tandem SAR shall be exercised later than the expiration, cancellation, forfeiture or other termination of the related option and no Free-Standing SAR shall be exercised later than ten years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the

case of a Tandem SAR, only with respect to whole Shares and, in the case of a Free-Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Shares, a certificate or certificates representing such Restricted Shares shall be issued in accordance with Section 3.3(c), or such shares shall be transferred to the holder in book entry form with restrictions on the Shares duly noted, and the holder of such Restricted Shares shall have such rights of a stockholder of the Company as determined pursuant to Section 3.3(d). Prior to the exercise of an SAR, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the Shares subject to such SAR.

(c) Method of Exercise. A Tandem SAR may be exercised (i) by giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) by surrendering to the Company any options which are cancelled by reason of the exercise of the Tandem SAR and (iii) by executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised (A) by giving written notice to the Company specifying the whole number of SARs which are being exercised and (B) by executing such documents as the Company may reasonably request. No Shares shall be issued and no certificate representing Shares shall be delivered until any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

2.3 Termination of Employment or Service. All of the terms relating to the exercise, cancellation or other disposition of an option or SAR (i) upon a termination of employment with or service to the Company of the holder of such option or SAR, as the case may be, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

2.4 Repricing of Options and SARs. The Committee, in its sole discretion and without the approval of the stockholders of the Company, may amend or replace any previously granted option or SAR in a transaction that constitutes a repricing within the meaning of the rules of the Nasdaq Global Market or any other stock exchange on which Shares are then traded.

III. SHARE AWARDS

3.1 Share Awards. The Committee may, in its discretion, grant Share Awards to such eligible persons as may be selected by the Committee. The Agreement relating to a Share Award shall specify whether the Share Award is a Bonus Share Award, Restricted Share Award or Restricted Share Unit Award.

3.2 Terms of Bonus Share Awards. The number of Shares subject to a Bonus Share Award shall be determined by the Committee. Bonus Share Awards shall not be subject to any Restriction Periods or Performance Measures. Upon the grant of a Bonus Share Award, subject to the Company's right to require payment of any taxes in accordance with Section 5.5, a certificate or certificates evidencing ownership of the requisite number of Shares shall be delivered to the holder of such award.

3.3 Terms of Restricted Share Awards. Restricted Share Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of Shares subject to a Restricted Share Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Share Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Share Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of the Shares subject to such award (i) if the holder of such award remains continuously in the employment or service of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the Shares subject to such award (x) if the holder of such award does not remain continuously in the employment or service of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Share Issuance. During the Restriction Period, the Restricted Shares shall be held by a custodian in book entry form with restrictions on such Shares duly noted or, alternatively, a certificate or certificates representing a Restricted Share Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 5.6, indicating that the ownership of the Shares represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the Agreement relating to the Restricted Share Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to the Company of all or a portion of the Shares subject to the Restricted Share Award in the event such award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), subject to the Company's right to require payment of any taxes in accordance with Section 5.5, the restrictions shall be removed from the requisite number of any Shares that are held in book entry form, and all certificates evidencing ownership of the requisite number of Shares shall be delivered to the holder of such award.

(d) Rights with Respect to Restricted Share Awards. Unless otherwise set forth in the Agreement relating to a Restricted Share Award, and subject to the terms and conditions of a Restricted Share Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Shares; provided, however, that (i) a distribution with respect to Shares, other than a regular cash dividend, and (ii) a regular cash dividend with respect to Shares that are subject to performance-based vesting conditions, in each case, shall be deposited with the Company and shall be subject to the same restrictions as the Shares with respect to which such distribution was made.

3.4 Terms of Restricted Share Unit Awards. Restricted Share Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Shares and Other Terms. The number of Shares subject to a Restricted Share Unit Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Share Unit Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Restricted Share Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Restricted Share Unit Award (i) if the holder of such award remains continuously in the employment or service of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the Shares subject to such award (x) if the holder of such award does not remain continuously in the employment or service of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Settlement of Vested Restricted Share Unit Awards. The Agreement relating to a Restricted Share Unit Award shall specify (i) whether such award may be settled in Shares or cash or a combination thereof and (ii) whether the holder thereof shall be entitled to receive, on a current or deferred basis, dividend equivalents, and, if determined by the Committee, interest on, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of Shares subject to such award. Any dividend equivalents with respect to Restricted Share Units that are subject to performance-based vesting conditions shall be subject to the same restrictions as such Restricted Share Units. Prior to the settlement of a Restricted Share Unit Award, the holder of such award shall have no rights as a stockholder of the Company with respect to the Shares subject to such award.

3.5 Termination of Employment or Service. All of the terms relating to the satisfaction of Performance Measures and the termination of the Restriction Period or Performance Period relating to a Share Award, or any forfeiture and cancellation of such award (i) upon a termination of employment or service with the Company of the holder of such award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

IV. PERFORMANCE UNIT AWARDS

4.1 Performance Unit Awards. The Committee may, in its discretion, grant Performance Unit Awards to such eligible persons as may be selected by the Committee.

4.2 Terms of Performance Unit Awards. Performance Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Number of Performance Units and Performance Measures. The number of Performance Units subject to a Performance Unit Award and the Performance Measures and Performance Period applicable to a Performance Unit Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Performance Unit Award if the specified Performance Measures are satisfied or met during the specified Performance Period and for the forfeiture of such award if the specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) Settlement of Vested Performance Unit Awards. The Agreement relating to a Performance Unit Award shall specify whether such award may be settled in Shares (including shares of Restricted Shares) or cash or a combination thereof. If a Performance Unit Award is settled in Restricted Shares, such Restricted Shares shall be issued to the holder in book entry form or a certificate or certificates representing such Restricted Shares shall be issued in accordance with Section 3.3(c) and the holder of such Restricted Shares shall have such rights as a stockholder of the Company as determined pursuant to Section 3.3(d). Any dividends or dividend equivalents with respect to a Performance Unit Award shall be subject to the same restrictions as such Performance Unit Award. Prior to the settlement of a Performance Unit Award in Shares, including Restricted Shares, the holder of such award shall have no rights as a stockholder of the Company.

4.3 Termination of Employment or Service. All of the terms relating to the satisfaction of Performance Measures and the termination of the Performance Period relating to a Performance Unit Award, or any forfeiture and cancellation of such award (i) upon a termination of employment or service with the Company of the holder of such award, whether by reason of disability, retirement, death or any other reason, or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable award Agreement.

V. GENERAL

5.1 Effective Date and Term of Plan. This Plan will become effective on the day preceding the effectiveness of the Company's Initial Public Offering. Unless terminated earlier by the Board, this Plan shall terminate on the tenth anniversary of the date it is adopted by the Board or approved by the Company's stockholders, whichever is earlier. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination. Awards hereunder may be made at any time prior to the termination of this Plan, provided that no award may be made later than ten years after the effective date of this Plan.

5.2 Amendments. The Board may amend this Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code and any rule of the Nasdaq Global Market or any other stock exchange on which Shares are then traded; provided, however, that no amendment may materially impair the rights of a holder of an outstanding award without the consent of such holder.

5.3 Agreement. Each award under this Plan shall be evidenced by an Agreement setting forth the terms and conditions applicable to such award. No award shall be valid until an Agreement is executed by the Company and, to the extent required by the Company, either executed by the recipient or accepted by the recipient by electronic means approved by the Company within the time period specified by the Company. Upon such execution or execution and electronic acceptance, and delivery of the Agreement to the Company, such award shall be effective as of the effective date set forth in the Agreement.

5.4 Non-Transferability. No award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or, to the extent expressly permitted in the Agreement relating to such award, to the holder's family members, a trust or entity established by the holder for estate planning purposes or a charitable organization designated by the holder, in each case, without consideration. Except to the extent permitted by the foregoing sentence or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except as permitted by the second preceding sentence, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any award, such award and all rights thereunder shall immediately become null and void.

5.5 Tax Withholding. The Company shall have the right to require, prior to the issuance or delivery of any Shares or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole Shares which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole Shares which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, equal to the amount necessary to satisfy any such obligation, (D) in the case of the exercise of an option and except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) any combination of (A), (B) and (C), in each case to the extent set forth in the Agreement relating to the award. Shares to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate. Any fraction of a Share which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

5.6 Restrictions on Shares. Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the Shares subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing Shares delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

5.7 Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per Share value of Shares to change after the effectiveness of the Initial Public Offering, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the number and class of securities available under this Plan or specified in any section of this Plan, the terms of each outstanding option and SAR (including the number and class of securities subject to each outstanding option or SAR and the purchase price or base price per share), the terms of each outstanding Restricted Stock Award and Restricted Stock Unit Award (including the number and class of securities subject thereto), and the terms of each outstanding Performance Unit Award shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs without an increase in the aggregate purchase price or base price and in accordance with Section 409A of the Code. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5.8 Change in Control.

(a) Subject to the terms of the applicable award Agreement, in the event of a Change in Control, the Board (as constituted prior to such Change in Control) may, in its discretion:

(i) provide that (A) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment or service, (B) the Restriction Period applicable to some or all outstanding Restricted Share Awards and Restricted Share Unit Awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment or service, (C) the Performance Period applicable to some or all outstanding awards shall lapse in full or in part, and (D) the Performance Measures applicable to some or all outstanding awards shall be deemed to be satisfied at the target or any other level;

(ii) require that shares of the corporation or other entity resulting from such Change in Control, or a parent thereof, be substituted for some or all of the Shares subject to an outstanding award, with an appropriate and equitable adjustment to such award as shall be determined by the Board in accordance with Section 5.7; and/or

(iii) require outstanding awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (A) a cash payment in an amount equal to (i) in the case of an option or an SAR, the number of Shares then subject to the portion of such option or SAR surrendered multiplied by the excess, if any, of the Fair Market Value of a Share as of the date of the Change in Control, over the purchase price or base price per Share subject to such option or SAR, (ii) in the case of a Share Award, the number of Shares then subject to the portion of such award surrendered multiplied by the Fair Market Value of a Share as of the date of the Change in Control, and (iii) in the case of a Performance Unit Award, the value of the Performance Units then subject to the portion of such award surrendered; (B) shares of the corporation or other entity resulting from such Change in Control, or a parent thereof, having a fair market value not less than the amount determined under clause (A) above; or (C) a combination of the payment of cash pursuant to clause (A) above and the issuance of shares pursuant to clause (B) above.

(b) A "Change in Control" of the Company shall be deemed to have occurred upon the occurrence of any of the following events:

(i) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding Shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its Subsidiaries, or any employee benefit plan (or related trust) of the Company or its Subsidiaries, or any corporation with respect to which, following such acquisition, more than 50% of, respectively, the then outstanding Shares of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of all or substantially all directors is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of Shares and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding Shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be;

(ii) The consummation of a reorganization, merger or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of Shares and voting securities of the Company immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than

50% of, respectively, the then outstanding Shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation;

(iii) During any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or

(iv) a complete liquidation or dissolution of the Company or of the sale or other disposition of all or substantially all of the assets of the Company.

In no event shall a Change in Control include the Initial Public Offering or any bona fide primary or secondary public offering following the occurrence of the Initial Public Offering.

5.9 Deferrals. The Committee may determine that the delivery of Shares or the payment of cash, or a combination thereof, upon the exercise or settlement of all or a portion of any award (other than awards of Incentive Stock Options, Nonqualified Options and SARs) made hereunder shall be deferred, or the Committee may, in its sole discretion, approve deferral elections made by holders of awards. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion, subject to the requirements of Section 409A of the Code.

5.10 No Right of Participation, Employment or Service. Unless otherwise set forth in an employment agreement, no person shall have any right to participate in this Plan. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment or service of any person at any time without liability hereunder.

5.11 Rights as Stockholder. No person shall have any right as a stockholder of the Company with respect to any Shares or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such Shares or equity security.

5.12 Designation of Beneficiary. A holder of an award may file with the Committee a written designation of one or more persons as such holder's beneficiary or beneficiaries (both primary and contingent) in the event of the holder's death or incapacity. To the extent an outstanding option or SAR granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option or SAR pursuant to procedures prescribed by the Committee.

Each beneficiary designation shall become effective only when filed in writing with the Committee during the holder's lifetime on a form prescribed by the Committee. The spouse of a married holder domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Committee of a new beneficiary designation shall cancel all previously filed beneficiary designations.

If a holder fails to designate a beneficiary, or if all designated beneficiaries of a holder predecease the holder, then each outstanding option and SAR hereunder held by such holder, to the extent exercisable, may be exercised by such holder's executor, administrator, legal representative or similar person.

5.13 Governing Law. This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.14 Non-U.S. Service Providers. Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees or service providers.

5.15 Awards Subject to Clawback. The awards granted under this Plan and any cash payment or Shares delivered pursuant to an award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

Exhibit 10.6

CYTOMX THERAPEUTICS, INC.

EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of this Plan is to provide Employees of the Company and Participating Subsidiaries with an opportunity to purchase common stock of the Company through accumulated payroll deductions. It is the intention of the Company to have the Plan qualify as an "Employee Stock Purchase Plan" under Section 423 of the Code. The provisions of the Plan, accordingly, shall be construed so as to extend and limit participation in a manner consistent with the requirements of that Section of the Code.

2. Definitions. As used herein, the terms set forth below have the meanings assigned to them in this Section 2 and shall include the plural as well as the singular.

"1933 Act" means the Securities Act of 1933, as amended.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Board" means the Board of Directors of the Company.

"Business Day" shall mean a day on which NASDAQ is open for trading.

"Brokerage Account" means the account in which the Purchased Shares are held.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board, or the designee of the Compensation Committee.

"Company" means CytomX Therapeutics, Inc., a Delaware corporation, or any successor thereto.

"Compensation" means solely the base pay received by a Participant. Compensation does not include: (1) commissions; (2) cash bonuses; (3) income related to stock option awards, stock grants and other equity incentive awards; (4) expense reimbursements; (5) relocation-related payments; (6) benefit plan payments (including but not limited to short-term disability pay, long-term disability pay, maternity pay, military pay, tuition reimbursement and adoption assistance); (7) deceased pay; (8) income from non-cash and fringe benefits; (9) severance payments; (10) overtime; or (11) other forms of compensation not specifically listed herein.

"Employee" means any individual who is a common law employee of the Company or any other Participating Subsidiary. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or the Participating Subsidiary, as appropriate, and only to the extent permitted under Section 423 of the Code. For purposes of the Plan, an individual who performs services for the Company or a Participating Subsidiary pursuant to an agreement (written or oral) that classifies such individual's relationship with the Company or a Participating Subsidiary as other than a common law employee shall not be considered an "employee" with respect to any period preceding the date on which a court or administrative agency issues a final determination that such individual is an "employee."

"Enrollment Date" means the first Business Day of each Offering Period.

"Exercise Date" means the last Business Day of each Offering Period.

"Fair Market Value" on or as of any date means the "NASDAQ Official Closing Price" (as defined on www.nasdaq.com) (or such substantially similar successor price thereto) for a Share as reported on www.nasdaq.com (or a substantially similar successor website) on the relevant valuation date or, if no NASDAQ Official Closing Price is reported on such date, on the preceding day on which a NASDAQ Official Closing Price was reported; or, if the Shares are no longer listed on NASDAQ, the closing price for Shares as reported on the official website for such other exchange on which the Shares are listed.

"NASDAQ" means the Nasdaq Global Market.

"Offering Period" means every six-month period beginning each January 1st, and July 1st or such other period designated by the Committee; provided that in no event shall an Offering Period exceed twenty-seven (27) months. The first Offering Period under the Plan shall commence on July 1, 2016.

"Option" means an option granted under this Plan that entitles a Participant to purchase Shares.

"Participant" means an Employee who satisfies the requirements of Sections 3 and 5 of the Plan.

"Participating Subsidiary" means each Subsidiary other than those that the Committee or the Board has excluded from participation in the Plan.

"Plan" means this CytomX Therapeutics, Inc. Employee Stock Purchase Plan.

"Purchase Account" means the account used to purchase Shares through the exercise of Options under the Plan.

"Purchase Price" shall be eighty-five percent (85%) of the lesser of (i) the Fair Market Value of a Share on the applicable Enrollment Date, or (ii) the Fair Market Value of a Share on the Exercise Date for such Offering Period; provided, however, that the Committee may determine a different per share Purchase Price provided that such per share Purchase Price is communicated to Participants prior to the beginning of the Offering Period and provided that in no event shall such per share Purchase Price be less than the lesser of 85% of (i) the Fair Market Value of a Share on the applicable Enrollment Date or (ii) the Fair Market Value of a Share on the Exercise Date.

"Purchased Shares" means the full Shares issued or delivered pursuant to the exercise of Options under the Plan.

"Shares" means the common stock, par value $0.00001 per share, of the Company.

"Subsidiary" means an entity, domestic or foreign, of which not less than 50% of the voting equity is held by the Company or a Subsidiary, whether or not such entity now exists or is hereafter organized or acquired by the Company or a Subsidiary; provided such entity is also a "subsidiary" within the meaning of Section 424 of the Code.

"Termination Date" means the date on which a Participant terminates employment or on which the Participant ceases to provide services to the Company or a Subsidiary as an employee, and specifically does not include any period following that date which the Participant may be eligible for or in receipt of other payments from the Company including in lieu of notice or termination or severance pay or as wrongful dismissal damages.

3. Eligibility.

(a) Only Employees of the Company or a Participating Subsidiary shall be eligible to be granted Options under the Plan and, in no event may a Participant be granted an Option under the Plan following his or her Termination Date.

(b) Any provisions of the Plan to the contrary notwithstanding, no Employee shall be granted an Option under the Plan if (i) immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding Options or options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any of its Subsidiaries, or (ii) such Option would permit his or her rights to purchase stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds twenty-five thousand dollars ($25,000) of the Fair Market Value of such stock (determined at the time each such Option is granted) for each calendar year in which such Option is outstanding at any time. No Participant may purchase more than 6,000 Shares during any Offering Period.

4. Exercise of an Option. Options shall be exercised on behalf of Participants in the Plan every Exercise Date, using payroll deductions that have accumulated in the Participants' Purchase Accounts during the immediately preceding Offering Period or that have been retained from a prior Offering Period pursuant to Section 8 hereof.

5. Participation.

(a) An Employee shall be eligible to participate on the first Enrollment Date that occurs at least 90 days after such Employee's first date of employment with the Company or a Participating Subsidiary; provided, that such Employee properly completes and submits an election form by the deadline prescribed by the Company.

(b) An Employee who does not become a Participant on the first Enrollment Date on which he or she is eligible may thereafter become a Participant on any subsequent Enrollment Date by properly completing and submitting an election form by the deadline prescribed by the Company.

(c) Payroll deductions for a Participant shall commence on the first payroll date following the Enrollment Date and shall end on the last payroll date in the Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 12 hereof.

6. Payroll Deductions.

(a) A Participant shall elect to have payroll deductions made during an Offering Period equal to no less than 1% of the Participant's Compensation up to a maximum of 15% (or such greater amount as the Committee establishes from time to time). The amount of such payroll deductions shall be in whole percentages (for example, 3%, 12%, 15%). All payroll deductions made by a Participant shall be credited to his or her Purchase Account. A Participant may not make any additional payments into his or her Purchase Account.

(b) A Participant may not increase or decrease the rate of payroll deductions during an Offering Period. A Participant may change his or her payroll deduction percentage under subsection (a) above for any subsequent Offering Period by properly completing and submitting an election change form in accordance with the procedures prescribed by the Committee. The change in amount shall be effective as of the first Enrollment Date following the date of filing of the election change form.

(c) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b) hereof, a Participant's payroll deductions may be decreased to zero percent (0%) at any time during an Offering Period. Payroll deductions shall recommence at the rate provided in such Participant's election form at the beginning of the first Offering Period which is scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 12 hereof.

7. Grant of Option. On the applicable Enrollment Date, each Participant in an Offering Period shall be granted an Option to purchase on the next following Exercise Date a number of full Shares determined by dividing such Participant's payroll deductions accumulated prior to such Exercise Date and retained in the Participant's Purchase Account as of the Exercise Date by the applicable Purchase Price.

8. Exercise of Option. A Participant's Option for the purchase of Shares shall be exercised automatically on the Exercise Date, and the maximum number of Shares subject to the Option shall be purchased for such Participant at the applicable Purchase Price with the accumulated payroll deductions in his or her Purchase Account. No fractional Shares shall be purchased; any payroll deductions accumulated in a Participant's Purchase Account which are not sufficient to purchase a full Share shall be retained in the Purchase Account for the next subsequent Offering Period, subject to earlier withdrawal by the Participant as provided in Section 12 hereof. All other payroll deductions accumulated in a Participant's Purchase Account and not used to purchase Shares on an Exercise Date shall be distributed to the Participant. During a Participant's lifetime, a Participant's Option is exercisable only by him or her. The Company shall satisfy the exercise of all Participants' Options for the purchase of Shares through (a) the issuance of authorized but unissued Shares, (b) the transfer of treasury Shares, (c) the purchase of Shares on behalf of the applicable Participants on the open market through an independent broker and/or (d) a combination of the foregoing.

9. Issuance of Stock. The Shares purchased by each Participant shall be issued in book entry form and shall be considered to be issued and outstanding to such Participant's credit as of the end of the last day of each Offering Period. The Committee may permit or require that shares be deposited directly in a Brokerage Account with one or more brokers designated by the Committee or to one or more designated agents of the Company, and the Committee may use electronic or automated methods of share transfer. The Committee may require that Shares be retained with such brokers or agents for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such Shares, and may also impose a transaction fee with respect to a sale of Shares issued to a Participant's credit and held by such a broker or agent. The Committee may permit Shares purchased under the Plan to participate in a dividend reinvestment plan or program maintained by the Company, and establish a default method for the payment of dividends.

10. Approval by Stockholders. Notwithstanding the above, the Plan is expressly made subject to the approval of the stockholders of the Company within 12 months before or after the date the Plan is adopted by the Board. Such stockholder approval shall be obtained in the manner and to the degree required under applicable federal and state law. If the Plan is not so approved by the stockholders within 12 months before or after the date the Plan is adopted by the Board, this Plan shall not come into effect.

11. Administration.

(a) Powers and Duties of the Committee. The Plan shall be administered by the Committee. Subject to the provisions of the Plan, Section 423 of the Code and the regulations thereunder, the Committee shall have the discretionary authority to determine the time and frequency of granting Options, the terms and conditions of the Options and the number of Shares subject to each Option. The Committee shall also have the discretionary authority to do everything necessary and appropriate to administer the Plan, including, without limitation, interpreting the provisions of the Plan (but any such interpretation shall not be inconsistent with the provisions of Section 423 of the Code). All actions, decisions and determinations of, and interpretations by the Committee with respect to the Plan shall be final and binding upon all Participants and upon their executors, administrators, personal representatives, heirs and legatees. No member of the Board or the Committee shall be liable for any action, decision, determination or interpretation made in good faith with respect to the Plan or any Option granted hereunder. The Plan shall be administered so as to ensure that all Participants have the same rights and privileges as are provided by Section 423(b)(5) of the Code.

(b) Administrator. The Company, Board or the Committee may engage the services of a brokerage firm or financial institution (the "Administrator") to perform certain ministerial and procedural duties under the Plan including, but not limited to, mailing and receiving notices contemplated under the Plan, determining the number of Purchased Shares for each Participant, maintaining or causing to be maintained the Purchase Account and the Brokerage Account, disbursing funds maintained in the Purchase Account or proceeds from the sale of Shares through the Brokerage Account, and filing with the appropriate tax authorities proper tax returns and forms (including information returns) and providing to each Participant statements as required by law or regulation.

(c) Indemnification. Each person who is or shall have been (a) a member of the Board, (b) a member of the Committee, or (c) an officer or employee of the Company to whom authority was delegated in relation to this Plan, shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit or proceeding against him or her; provided, however, that he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability or expense is a result of his or her own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's certificate of incorporation or bylaws, any contract with the Company, as a matter of law, or otherwise, or of any power that the Company may have to indemnify them or hold them harmless.

12. Withdrawal. A Participant may withdraw from the Plan by properly completing and submitting to the Company a withdrawal form in accordance with the procedures prescribed by the Committee, which must be submitted prior to the date specified by the Committee before the last day of the applicable Offering Period. Upon withdrawal, any payroll deductions credited to the Participant's Purchase Account prior to the effective date of the Participant's withdrawal from the Plan will be returned to the Participant. No further payroll deductions for the purchase of Shares will be made during subsequent Offering Periods, unless the Participant properly completes and submits an election form, by the deadline prescribed by the Company. A Participant's withdrawal from an offering will not have any effect upon his or her eligibility to participate in the Plan or in any similar plan that may hereafter be adopted by the Company.

13. Termination of Employment. On the Termination Date of a Participant for any reason prior to the applicable Exercise Date, whether voluntary or involuntary, and including termination of employment due to retirement, death or as a result of liquidation, dissolution, sale, merger or a similar event affecting the Company or a Participating Subsidiary, the corresponding payroll deductions credited to his or her Purchase Account will be returned to him or her or, in the case of the Participant's death, to the person or persons entitled thereto under Section 16, and his or her Option will be automatically terminated.

14. Interest. No interest shall accrue on the payroll deductions of a Participant in the Plan.

15. Stock.

(a) The stock subject to Options shall be common stock of the Company as traded on the NASDAQ or on such other exchange as the Shares may be listed.

(b) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18 hereof, the maximum aggregate number of Shares which shall be made available under the Plan shall be 354,466 Shares, plus an annual increase to be added on the first day of each calendar year beginning with 2016, equal to the lesser of (i) 675,000 Shares, (ii) one percent (1%) of the then-outstanding Shares on such date, or (iii) an amount determined by the Committee. If, on a given Exercise Date, the number of Shares with respect to which Options are to be exercised exceeds the number of Shares then available under the Plan, the Committee shall make a pro rata allocation of the Shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable.

(c) A Participant shall have no interest or voting right in Shares covered by his or her Option until such Option has been exercised and the Participant has become a holder of record of Shares acquired pursuant to such exercise.

16. Designation of Beneficiary. The Committee may permit Participants to designate beneficiaries to receive any Purchased Shares or payroll deductions, if any, in the Participant's accounts under the Plan in the event of such Participant's death. Beneficiary designations shall be made in accordance with procedures prescribed by the Committee. If no properly designated beneficiary survives the Participant, the Purchased Shares and payroll deductions, if any, will be distributed to the Participant's estate.

17. Assignability of Options. Neither payroll deductions credited to a Participant's Purchase Account nor any rights with regard to the exercise of an Option or to receive Shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 16 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from an Offering Period in accordance with Section 12 hereof.

18. Adjustment of Number of Shares Subject to Options.

(a) Adjustment. Subject to any required action by the stockholders of the Company, the maximum number of securities available for purchase under the Plan, as well as the price per security and the number of securities covered by each Option under the Plan which has not yet been exercised shall be appropriately adjusted in the event of any stock split, reverse stock split, stock dividend, combination or reclassification of the common stock of the Company, or any other increase or decrease in the number of Shares effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board or the Committee, whose determination in that respect shall be final, binding and conclusive. If any such adjustment would result in a fractional security being available under the Plan, such fractional security shall be disregarded. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof

shall be made with respect to, the number or price of Shares subject to an Option. The Options granted pursuant to the Plan shall not be adjusted in a manner that causes the Options to fail to qualify as options issued pursuant to an "employee stock purchase plan" within the meaning of Section 423 of the Code.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Offering Period then in progress will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board, and the Board may either provide for the purchase of Shares as of the date on which such Offering Period terminates or return to each Participant the payroll deductions credited to such Participant's Purchase Account.

(c) Merger or Asset Sale. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, each outstanding Option shall be assumed or an equivalent option substituted by the successor corporation or a parent or subsidiary of the successor corporation, unless the Board determines, in the exercise of its sole discretion, that in lieu of such assumption or substitution to either terminate all outstanding Options and return to each Participant the payroll deductions credited to such Participant's Purchase Account or to provide for the Offering Period in progress to end on a date prior to the consummation of such sale or merger.

19. Amendments or Termination of the Plan.

(a) The Board or the Committee may at any time and for any reason amend, modify, suspend, discontinue or terminate the Plan without notice; provided that no Participant's existing rights in respect of existing Options are adversely affected thereby. To the extent necessary to comply with Section 423 of the Code (or any other applicable law, regulation or stock exchange rule), the Company shall obtain stockholder approval in such a manner and to such a degree as required.

(b) Without stockholder consent and without regard to whether any Participant rights may be considered to have been "adversely affected," the Board or the Committee shall be entitled to change the Purchase Price, Offering Periods, limit or increase the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in an amount less than or greater than the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Shares for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Board or the Committee determines in its sole discretion advisable which are consistent with the Plan; provided, however, that changes to (i) the Purchase Price, (ii) the Offering Period, (iii) the maximum percentage of Compensation that may be deducted pursuant to Section 6(a) or (iv) the maximum number of Shares that may be purchased in an Offering Period, shall not be effective until communicated to Participants in a reasonable manner, with the determination of such reasonable manner in the sole discretion of the Board or the Committee.

20. No Other Obligations. The receipt of an Option pursuant to the Plan shall impose no obligation upon the Participant to purchase any Shares covered by such Option. Nor shall the granting of an Option pursuant to the Plan constitute an agreement or an understanding, express or implied, on the part of the Company to employ the Participant for any specified period.

21. Notices and Communication. Any notice or other form of communication which the Company or a Participant may be required or permitted to give to the other shall be provided through such means as designated by the Committee, including but not limited to any paper or electronic method.

22. Condition Upon Issuance of Shares.

(a) Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the 1933 Act and the 1934 Act and the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. General Compliance. The Plan will be administered and Options will be exercised in compliance with the 1933 Act, the 1934 Act and all other applicable securities laws and Company policies, including without limitation, any insider trading policy of the Company.

24. Term of the Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company and shall continue in effect for a term of ten (10) years, unless earlier terminated pursuant to Section 19.

25. Governing Law. The Plan and all Options granted hereunder shall be construed in accordance with and governed by the laws of the State of Delaware without reference to choice of law principles and subject in all cases to the Code and the regulations thereunder.

26. Non-U.S. Participants. To the extent permitted under Section 423 of the Code, without the amendment of the Plan, the Company may provide for the participation in the Plan by Employees who are subject to the laws of foreign countries or jurisdictions on such terms and conditions different from those specified in the Plan as may in the judgment of the Company be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes the Company may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws of other countries or jurisdictions in which the Company or the Participating Subsidiaries operate or have employees. Each subplan shall constitute a separate "offering" under this Plan in accordance with Treas. Reg. §1.423-2(a).

CYTOMX THERAPEUTICS

SEPARATION AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Separation and Release Agreement ("Agreement") is made this 30th day of September, 2014 by and between Henry B. Lowman, Ph.D. ("Executive") and CytomX Therapeutics, Inc. ("Company").

WHEREAS, Company and Executive will be separating their employment relationship, and Executive will transition from Chief Scientific Officer, to Consultant Chief Scientific Officer, to a member of Company's Scientific Advisory Board;

WHEREAS, Company has offered Executive certain separation benefits in exchange for Executive's commitments set forth in this agreement;

NOW THEREFORE, the parties agree as follows:

1. Your employment with CytomX Therapeutics, Inc. ("Company") will terminate effective September 30, 2014 ("Termination Date"). You will be paid all accrued wages including any unused and accrued vacation and benefits through the Termination Date in accordance with applicable law. Your health insurance benefits will terminate on September 30, 2014, unless extended pursuant to paragraph 3 below. You are not required to sign this Separation Agreement and General Release of Claims ("Release Agreement") to receive accrued wages and benefits.

2. So long as you execute this Release Agreement and permit it to become effective, following the termination of your employment on September 30, 2014, Company agrees to engage you as the Consultant Chief Scientific Officer (or such other consultant title as Company may deem appropriate in its sole discretion) from the business day after this Release Agreement becomes effective through December 31, 2014, and you hereby accept engagement by Company. During this period, you will obtain direction from Company's Chief Executive Officer or any other appointed employee of Company on projects as assigned, and be paid $25,008.33 per month to perform these services. In addition, your stock options with Company and your restricted shares of common stock in Company (issued pursuant to your Restricted Stock Repurchase Agreement, signed on December 23, 2010), as outlined in Appendix A to this agreement, shall continue to vest as long as you serve as the Consultant Chief Scientific Officer. Following the termination of your Scientific Advisory Board Consulting Agreement, you shall have 90 days to exercise your options. Your stock options shall otherwise continue to be governed by the terms of the equity plans and award agreements under which they were granted. You agree to execute, and to comply with the terms and conditions of, the Consulting Agreement, which is attached as Exhibit A and incorporated by reference herein as if fully set forth below. If you complete the full term of your engagement as the Consultant Chief Scientific Officer, from the day after this Release Agreement becomes effective through December 31, 2014, you shall be eligible to receive an annual cash bonus, under the terms of your signed Offer of Employment, pro-rated to reflect the term of your employment during the year 2014, from January 1, 2014 through your Termination Date. In addition, Company agrees to appoint you to the Scientific

Advisory Board as of January 5, 2015, and you hereby accept that appointment. You agree to execute, and to comply with the terms and conditions of, the Scientific Advisory Board Consulting Agreement, which is attached as Exhibit B and incorporated by reference herein as if fully set forth below. Company and you agree that section three of your December 23, 2010 Secured Promissory Note is hereby amended as follows

> "SECTION 3. PAYMENT OF PRINCIPAL AND INTEREST. Subject to prepayment under Section 5, below, and acceleration under Section 6, below, the principal of and interest on this Note shall be due and payable in full on the earliest of (i) the Seventh Anniversary of the Issue Date, (ii) the sale or disposition of all or any portion of the Pledged Shares, or (iii) the thirtieth day in which the Maker has not provided service to the Holder either as an employee or a consultant."

Your acceptance and non-revocation of this Release Agreement is a condition precedent to any of the Company's obligations under this paragraph.

3. Company is offering you the opportunity to receive separation benefits to which you are not otherwise entitled by executing the general release of claims set forth in this Release Agreement. If you timely sign, date, return this Release Agreement, and allow it to become effective, and so long as you are not in breach of your obligations under this Release Agreement, Company will provide you the following as the sole separation benefits ("Separation Benefits"): If you make a timely election to continue health care coverage for you and, if applicable, your dependents, under the Consolidated Omnibus Budget Reconciliation Act (COBRA), you may submit for reimbursement to Company monthly COBRA premiums you have actually paid for COBRA coverage through December 31, 2014. Thereafter, to the extent provided by the federal COBRA law or state insurance laws, and by Company's current group health insurance policies, you will be eligible to continue group health insurance benefits at your own expense subject to the limitations imposed by those policies and applicable law. On or after the Termination Date, you will be provided with a separate notice describing the rights and obligations under the applicable state and/or federal insurance laws.

4. You have twenty-one (21) days from today in which to consider this Release Agreement (the "Review Period"). You may not sign this Release Agreement before your Termination Date. You are advised to consult an attorney regarding this Release Agreement. Once you sign this Release Agreement, return it to Sean McCarthy, 343 Oyster Point Blvd #100, South San Francisco, CA 94080. You may sign this Release Agreement any time after your Termination Date and before the expiration of the Review Period, but should you do so, you waive what is remaining of the Review Period.

5. You will have an additional seven (7) days after signing the Release Agreement to revoke your acceptance (the "Revocation Period") by submitting a written statement of revocation to Sean McCarthy, 343 Oyster Point Blvd #100, South San Francisco, CA 94080. If you do not timely revoke your acceptance during the Revocation Period, this Release Agreement will become final and effective. If you submit your signed Release Agreement or revocation by mail, your mailing envelope must be postmarked no later than the submission deadline (unless that day is a Sunday or a holiday, in which event the period is extended to the following day there is mail service). Should you revoke this Release Agreement, then it shall be null and void. This Release Agreement automatically becomes enforceable and effective on the eighth (8th) day after Company has received the Release Agreement signed by you, provided that there has been no timely revocation.

6. In order to receive the Separation Benefits provided pursuant to paragraph 3, you must have previously returned all of Company's property in your possession, except that you may use Company's laptop computer following the Termination Date until such time as Company requests that you return the laptop computer, or the end of your consulting period under the Consulting Agreement, whichever occurs sooner. You agree that immediately after you have ceased providing any services to Company (or earlier if so requested by the Company), you will return to Company all property that belongs to Company, including without limitation, Company's laptop computer, copies of documents that belong to Company and files stored on your computer(s) that contain information belonging to Company.

7. The following are the terms of the general release of claims that you accept as part of this Release Agreement:

(a) In consideration of the Separation Benefits that you are receiving as provided in paragraph 3 above, and on behalf of yourself and your heirs, executors, administrators, successors, and assigns, you hereby waive, release, and hold harmless Company, its respective parents, subsidiaries, divisions, units, related companies, each and every past and present member, shareholder, investor, associate, affiliate, predecessor, successor and related entities, and all of their current or former agents, officers, directors, partners, representatives, attorneys, contractors, insurance companies, administrators, successors, assigns, current and former employees, plan administrators, insurers, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and each of them ("Released Parties"), from any and all claims, rights, debts, liabilities, demands, causes of action, obligations, and damages, known or unknown, suspected or unsuspected, arising as of or prior to the date of your signature to this Release Agreement, under federal, state, local, or common law (the "Released Claims"), including but not limited to claims in any way related to your employment with the Released Parties, or the termination of your employment. The laws under which the Released Claims may arise include, but are not limited to, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, as amended, the Worker Adjustment and Retraining Notification Act, the Age Discrimination in Employment Act, as amended, the Older Workers Benefit Protection Act, the California Labor Code, the California Business and Professions Code, all California Wage Orders, the California Fair Employment and Housing Act, the California Family Rights Act, and/or the laws prohibiting discrimination, harassment, and/or retaliation in any state in which you are employed, and any and all federal, state, and local employment laws, as well as any and all common law tort or contract theories under state federal or local laws. The Released Claims also include claims of discrimination or retaliation on the basis of workers' compensation status, but do not include workers' compensation claims. Nothing in this Release Agreement shall be construed to affect the Equal Employment Opportunity Commission's (the "Commission") or any state agency's independent right and responsibility to enforce the law, nor does this Release Agreement affect your right to file a charge or participate in an investigation or proceeding conducted by either the Commission or any such state agency, although this Release Agreement does bar any claim that you might have to receive monetary damages in connection with any Commission or state agency proceeding concerning matters covered by this Release Agreement. Execution of this Release Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Release Agreement, any claim to indemnity under section 2802 of the California Labor Code, or any other claim that by law may not be released.

(b) You acknowledge that you have been advised by legal counsel that you are by this Release Agreement waiving claims pursuant to California Civil Code Section 1542 or the laws of other states similar hereto, and you expressly waive such rights as quoted below:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

You hereby expressly waive any rights you may have under any other statute or common law principles of similar effect.

(c) You acknowledge and understand that the release of claims under the Age Discrimination in Employment Act ("ADEA"), 29 U.S.C. Section 621-634, is subject to special waiver protections under 29 U.S.C. Section 626(f). In accordance with that section, you specifically agree that you are knowingly and voluntarily releasing and waiving any rights or claims of discrimination under the ADEA. In particular you acknowledge that you understand that:

(i) you are not waiving any claims for age discrimination under the ADEA that may arise after the date you sign this Release Agreement and you are not waiving vested benefits, if any;

(ii) you are waiving rights or claims for age discrimination under the ADEA in exchange for payment described in paragraph 3 above, which is in addition to anything of value to which you are already entitled;

(iii) you are advised to consult with and have had an opportunity to consult with an attorney before signing this Release Agreement.

8. You acknowledge and agree that (a) you possess secret, confidential, or proprietary information or trade secrets concerning the operations, future plans, or business methods of Company and (b) you signed as a condition of your employment with the Company, and that you continue to be bound by, the Nondisclosure and Assignment of Inventions agreement, entered into by and between Company and you as of September 2, 2010, which survives your separation from Company, and which obligates you to keep confidential all proprietary information of Company. You agree that the Company would be severely damaged if you used or disclosed this information.

9. You agree that payment of the Separation Benefits described in paragraph 3 is a benefit that Company is not required to provide to you apart from the provisions of this Release Agreement.

10. Without in any way limiting your obligations set forth in the Nondisclosure and Assignment of Inventions Agreement, the Consulting Agreement, the Scientific Advisory Board Consulting Agreement, the December 23, 2010 Restricted Stock Repurchase Agreement, and the December 23, 2010 Secured Promissory Note, this Release Agreement sets forth the entire agreement between you and Company regarding its subject matter and supersedes all

other written or oral promises or representations about its subject matter. This Release Agreement may not be modified except by a writing signed by both you and an officer of Company. You understand and agree that this Release Agreement shall not be construed at any time or for any purpose as an admission of any liability or wrongdoing by Company.

11. You agree that the terms of this Release Agreement are a private matter that will not be divulged to others except to your attorneys, tax, financial, or outplacement advisors, or immediate family members, who in turn shall not divulge its contents. If you breach this confidentiality clause, Company shall be entitled to recover appropriate and provable damages in a competent legal forum.

12. This Release Agreement shall be governed by the statutes and common law of the State of California.

13. If any provision of this Release Agreement or the application thereof to any person, place, or circumstance shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Release Agreement and such provision as applied to other person, places, and circumstances shall remain in full force and effect.

14. You agree not to disparage the Release Parties in any manner likely to be harmful to Company or to any Released Party's business or personal reputation.

15. You warrant that you have not filed any lawsuits or administrative claims against any Released Party prior to signing this Release Agreement.

16. This Release Agreement shall bind the heirs, personal representatives, successors, assigns, executors and administrators of each party, and inure to the benefit of each party, its heirs, successors and assigns.

BY SIGNING BELOW, YOU ACKNOWLEDGE THAT YOU HAVE READ THIS RELEASE AGREEMENT, UNDERSTAND ITS TERMS AND EFFECT, AND AGREE TO IT VOLUNTARILY.

ACCEPTED AND AGREED TO:

Date: 9/30/2014

Signature: /s/ Henry B. Lowman

Print Name: Henry Lowman

Appendix A

CytomX Therapeutics, Inc.
Shareholder Report
As of 09/30/2014
Holder Name Contains Lowman
SSN/Tax ID = Excluded

Holder Details	Class of Stock	Certificate No.	No. of Shares	Effective Date	Issue Reason	Issue Price per Share	Shares Vested	Vesting Name	Vesting Start Date	Date Fully Vested	Legend	Notes
Lowman, Henry B.	COMMON	CS-32-1	4,167	12/23/10	NSO Exercise	$ 0.0180	0		02/05/10			
	COMMON	CS-32-2	12,644	12/23/10	NSO Exercise	$ 0.0180	0		02/05/10			
	COMMON	CS-32-3	4,002,479	12/23/10	ISO Exercise	$ 0.0180	0		09/22/10			
	COMMON	CS-60	8,333	06/20/13	NSO Exercise	$ 0.0180	0		02/05/10			Option exercised on 6/20/2013 but stock certificate not prepared until 4/1/2014.
	COMMON	CS-61	25,286	06/20/13	NSO Exercise	$ 0.0180	0		02/05/10			Option exercised on 6/20/2013 but stock certificate not prepared until 4/1/2014.
	COMMON	CS-62	2,001,239	06/20/13	ISO Exercise	$ 0.0180	0		05/03/11			Option exercised on 6/20/2013 but stock certificate not prepared until 4/1/2014.
	COMMON	CS-63	833,850	06/20/13	ISO Exercise	$ 0.0180	0		09/14/11			Option exercised on 6/20/2013 but stock certificate not prepared until 4/1/2014.
	Subtotal		6,887,998	[10.97%]			0					
Total Outstanding Shares of COMMON			6,887,998				0					
GRAND TOTAL			6,887,998				0					
Total No. of Shareholders	1											

Legends Key

CytomX Therapeutics, Inc.
Personnel Summary
As of 09/30/2014
Holder Name Contains lowman
SSN/Tax ID = Excluded

Holder Details	Plan Name/ Grant Type	Grant No.	Grant Date	No. of Shares Granted	Exercise Price per Share	Vesting Start Date/Key	Early Exercise	Shares Vested	Shares Unvested	Shares Exercised	Shares Subject to Repurchase	Shares Canceled	Shares Outstanding	Shares Outstanding Exercisable	Date Fully Vested
Lowman, Henry B.															
	2010 SIP ISO	10-039	12/02/2010	4,002,479	$ 0.0180	09/22/2010 A	Y	4,002,479	0	4,002,479	0	0	0	0	09/22/2014
	2010 SIP ISO	10-055	05/03/2011	4,002,479	$ 0.0180	05/03/2011 A	N	3,335,399	667,080	2,001,239	0	0	2,001,240	1,334,160	05/03/2015
	2010 SIP ISO	10-060	09/21/2011	2,001,240	$ 0.0180	09/14/2011 A	N	1,500,930	500,310	833,850	0	0	1,167,390	667,080	09/14/2014
	2010 SIP NSO	10-024	09/22/2010	45,517	$ 0.0180	02/05/2010 C*	N	45,517	0	37,930	0	0	7,587	7,587	02/05/2013
	2010 SIP NSO	10-023	09/22/2010	15,000	$ 0.0180	02/05/2010 C*	N	15,000	0	12,500	0	0	2,500	2,500	02/05/2013
	2010 SIP ISO	10-080	02/26/2013	5,172,210	$ 0.0150	02/26/2013 G	N	2,155,087	3,017,123	0	0	0	5,172,210	2,155,087	01/31/2017
Total No. of Options				15,238,925											
Total No. of SPRs				0				11,054,412	4,184,513	6,887,998	0	0	8,350,927	4,166,414	
Subtotal				15,238,925											
GRAND TOTAL				15,238,925				11,054,412	4,184,513	6,887,998	0	0	8,350,927	4,166,414	

Total No. of Optionholders:

Vesting Schedule Key
A 25% @ 1yr, 1/48th monthly (2010 SIP)
C* Customized
G 1/48th per month on last day (2011 SIP)

Footnote(s):

The Exercise Price(s) Per Share in this report have been rounded to 4 decimal places for display purposes, although the actual price may be up to 15 decimal places as indicated on the individual security screen.

EXHIBIT A

CONSULTING AGREEMENT

This Consulting Agreement ("**Agreement**") is entered into as of October 1, 2014 by and between CytomX Therapeutics, Inc., a Delaware corporation (the "**Company**") and Henry Lowman, Ph.D., an individual ("**Consultant**"). The Company desires to retain Consultant as an independent contractor to perform consulting services for the Company, and Consultant is willing to perform such services, based upon the terms described below. In consideration of the mutual promises contained herein, the parties agree as follows:

I. *Services and Compensation*. Consultant agrees to perform for the Company the services described in Exhibit A (the "**Services**"), and the Company agrees to pay Consultant the compensation described in Exhibit A for Consultant's performance of the Services.

II. *Confidentiality*.

A. *Definition*. "**Confidential Information**" means any and all trade secrets, knowledge, data and other information owned, held or known by the Company or any entity that now or hereafter is directly or indirectly controlled by, or in control of, or commonly controlled with the Company (an "**Affiliate**") and relating to products, potential products, contracts, and specifications, processes, know-how, designs, formulas, data, inventions, customer lists, business plans, marketing plans and strategies, pricing strategies and other subject matter pertaining to any research, business or planned or contemplated business of the Company, any Affiliate of the Company or any customer of the Company or other party that heretofore has or hereafter may contract with the Company for the performance of services or delivery of products. Confidential information shall include such information as is currently owned, held or known by the Company, and such other information as the Company may develop or receive in the future through the Consultant's efforts or otherwise.

B. *Nonuse and Nondisclosure*. Consultant will not, during or subsequent to the term of this Agreement, (i) use the Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of the Company or (ii) disclose the Confidential Information to any third party. Consultant agrees that all Confidential Information will remain the sole property of the Company. Consultant also agrees to take all reasonable precautions to prevent any unauthorized disclosure of such Confidential Information, including, but not limited to, having each of Consultant's employees and contractors, if any, with access to any Confidential Information. Without the Company's prior written approval, Consultant will not directly or indirectly disclose to anyone the existence of this Agreement or the fact that Consultant has this arrangement with the Company. Consultant acknowledges that it possesses secret, confidential, or proprietary information or trade secrets concerning the operations, future plans, or business methods of Company and that Consultant signed the Nondisclosure and Assignment of Inventions Agreement on September 2, 2010 which survives Consultant's separation from Company, and which obligates Consultant to keep confidential all proprietary information of Company. Consultant agrees that Company would be severely damaged if Consultant used of disclosed Confidential Information.

C. *Former Client Confidential Information*. Consultant agrees that Consultant will not, during the term of this Agreement, improperly use or disclose any proprietary information or trade secrets of any former or current employer of Consultant or other person or entity with which Consultant has an agreement or duty to keep in confidence information acquired by Consultant, if any. Consultant also agrees that Consultant will not bring onto the Company's premises any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

D. *Third Party Confidential Information*. Consultant recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that, during the term of this Agreement and thereafter, Consultant owes the Company and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out the Services for the Company consistent with the Company's agreement with such third party.

E. *Return of Materials*. Upon the termination of this Agreement, or upon Company's earlier request, Consultant will deliver to the Company all of the Company's property, including but not limited to all electronically stored information and passwords to access such property, or Confidential Information that Consultant may have in Consultant's possession or control.

III. *Ownership*.

A. *Assignment*. Consultant agrees that all copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries and trade secrets conceived, discovered, developed or reduced to practice by Consultant, solely or in collaboration with others, during the term of this Agreement that relate in any manner to the business of the Company that Consultant may be directed to undertake, investigate or experiment with or that Consultant may become associated with in work, investigation or experimentation in the Company's line of business in performing the Services under this Agreement (collectively, "**Inventions**"), are the sole property of the Company. Consultant also agrees to assign (or cause to be assigned) and hereby assigns fully to the Company all Inventions and any copyrights, patents or other intellectual property rights relating to all Inventions.

B. *Further Assurances*. Consultant agrees to assist Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Inventions and any copyrights, patents or other intellectual property rights relating to all Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect to all Inventions, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees

the sole and exclusive right, title and interest in and to all Inventions, and any copyrights, patents or other intellectual property rights relating to all Inventions. Consultant also agrees that Consultant's obligation to execute or cause to be executed any such instrument or papers shall continue after the termination of this Agreement.

C. *Pre-Existing Materials.* Subject to **Section 3.A**, Consultant agrees that if, in the course of performing the Services, Consultant incorporates into any Invention developed under this Agreement any pre-existing invention, improvement, development, concept, discovery or other proprietary information owned by Consultant or in which Consultant has an interest, (i) Consultant will inform Company, in writing before incorporating such invention, improvement, development, concept, discovery or other proprietary information into any Invention, and (ii) the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such Invention. Consultant will not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without Company's prior written permission.

D. *Attorney-in-Fact.* Consultant agrees that, if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature for the purpose of applying for or pursuing any application for any United States or foreign patents or copyright registrations covering the Inventions assigned to the Company in **Section 3.A**, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright registrations with the same legal force and effect as if executed by Consultant.

IV. *Conflicting Obligations*.

A. *Conflicts*. Consultant certifies that Consultant has no outstanding agreement or obligation that is in conflict with any of the provisions of this Agreement or that would preclude Consultant from complying with the provisions of this Agreement. Consultant will not enter into any such conflicting agreement during the term of this Agreement. Consultant's violation of this **Section 4.A** will be considered a material breach under **Section 6**.

B. *Substantially Similar Designs*. In view of Consultant's access to the Company's trade secrets and proprietary know-how, Consultant agrees that Consultant will not, without Company's prior written approval, design identical or substantially similar designs as those developed under this Agreement for any third party during the term of this Agreement and for a period of 24 months after the termination of this Agreement. Consultant acknowledges that the obligations in this **Section 4** are ancillary to Consultant's nondisclosure obligations under **Section 2**.

V. *Reports*.

Consultant also agrees that Consultant will, from time to time during the term of this Agreement or any extension thereof, keep the Company advised as to Consultant's progress in performing the Services under this Agreement. Consultant further agrees that Consultant will, as requested by the Company, prepare written reports with respect to such progress. The Company and Consultant agree that the time required to prepare such written reports will be considered time devoted to the performance of the Services.

VI. Term and Termination.

A. *Term*. The term of this Agreement will begin on October 1, 2014 and will continue until December 31, 2014.

B. *Survival*. Upon the termination of this Agreement on December 31, 2014, all rights and duties of the Company and Consultant toward each other shall cease except:

1. The Company will pay, within 30 days after December 31, 2014, all amounts owing to Consultant for Services completed and accepted by the Company prior to the termination date and related expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Section 1 of this Agreement; and

2. Section 2 (Confidentiality), Section 3 (Ownership), Section 4 (Conflicting Obligations), Section 7 (Independent Contractor; Benefits), Section 8 (Indemnification), Section 9 (Nonsolicitation) and Section 10 (Arbitration and Equitable Relief) will survive termination of this Agreement.

VII. Independent Contractor; Benefits.

A. *Independent Contractor*. It is the express intention of the Company and Consultant that Consultant performs the Services as an independent contractor to the Company. Nothing in this Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of the Company. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse the Company for) all tools and materials necessary to accomplish this Agreement and shall incur all expenses associated with performance, except as expressly provided in Exhibit A. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Agreement. Consultant agrees to and acknowledges the obligation to pay all self-employment and other taxes on such income.

B. *Benefits*. The Company and Consultant agree that Consultant will receive no Company-sponsored benefits from the Company, other than as specified by the Separation and Release Agreement (i.e., if Consultant timely elects to continue health care coverage under COBRA and submits for reimbursement to the Company monthly COBRA premiums actually paid through December 31, 2014). If Consultant is reclassified by a state or federal agency or court as Company's employee, Consultant will become a reclassified employee and will receive

no benefits from the Company, except those mandated by state or federal law, even if by the terms of the Company's benefit plans or programs of the Company in effect at the time of such reclassification, Consultant would otherwise be eligible for such benefits.

VIII. *Indemnification*. Consultant agrees to indemnify and hold harmless the Company and its directors, officers and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorneys' fees and other legal expenses, arising directly or indirectly from or in connection with (i) any negligent, reckless or intentionally wrongful act of Consultant or Consultant's assistants, employees or agents, (ii) a determination by a court or agency that the Consultant is not an independent contractor, (iii) any breach by the Consultant or Consultant's assistants, employees or agents of any of the covenants contained in this Agreement, (iv) any failure of Consultant to perform the Services in accordance with all applicable laws, rules and regulations, or (v) any violation or claimed violation of a third party's rights resulting in whole or in part from the Company's use of the work product of Consultant under this Agreement.

IX. *Nonsolicitation*. From the date of this Agreement until 12 months after the termination of this Agreement (the "**Restricted Period**"), Consultant will not, without the Company's prior written consent, directly or indirectly, solicit, hire or encourage any employee or contractor of the Company or its affiliates to terminate employment with, or cease providing services to, the Company or its affiliates. During the Restricted Period, Consultant will not, whether for Consultant's own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with any person who is or during the period of Consultant's engagement by the Company was a partner, supplier, customer or client of the Company or its affiliates.

X. *Arbitration and Equitable Relief*.

A. *Arbitration*. The Consultant and the Company agree that if any dispute arises regarding this agreement or the terms and conditions of the consultancy with the Company, and that dispute is not resolved within ten (10) days of the date on which either party delivers to the other party a written notice invoking the arbitration provisions of this paragraph, then to the extent permitted by applicable law, such dispute shall be resolved by final and binding arbitration in San Francisco, California, pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-14, or if that Act is held to be inapplicable for any reason, the California Arbitration Act, California Civil Procedure Code §§ 1280 *et seq*. The arbitration shall be conducted through JAMS before a single neutral arbitrator, in accordance with the JAMS employment arbitration rules then in effect. The JAMS rules may be found and reviewed at http://www.jamsadr.com/rules-employment-arbitration. The decision of the arbitrator shall be final and binding on the parties, and judgment thereon may be entered in a court of competent jurisdiction. ***The parties acknowledge and agree that they are each waiving their rights to a jury trial in favor of having their disputes resolved by final and binding arbitration.*** The disputes that the parties agree to submit to final and binding arbitration include but are not limited to any statutory claims under any state or federal law, including, but not limited to,

claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the California Fair Employment and Housing Act, the California Business and Professions Code and the California Labor Code, as well as any common law claims of harassment, discrimination, wrongful termination, retaliation, fraud, negligent misrepresentation, breach of contract and any statutory or common law claims for unpaid wages, commissions, bonus or other compensation. Notwithstanding anything to contrary herein, either party may seek a temporary restraining order, preliminary injunction or other provisional injunctive or declaratory relief in any court of competent jurisdiction at any time to ensure that the relief sought in arbitration is not rendered ineffectual by any interim harm.

B. *Voluntary Nature of Agreement*. Consultant acknowledges and agrees that Consultant is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Consultant further acknowledges and agrees that Consultant has carefully read this Agreement and has asked any questions needed to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that Consultant is waiving its right to a jury trial. Finally, Consultant agrees that Consultant has been provided an opportunity to seek the advice of an attorney of its choice before signing this Agreement.

XI. Miscellaneous.

A. *Governing Law*. This Agreement shall be governed by and construed in accordance with California law.

B. *Assignability*. Except as otherwise provided in this Agreement, Consultant may not sell, assign or delegate any rights or obligations under this Agreement.

C. *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement.

D. *Headings*. Headings are used in this Agreement for reference only and shall not be considered when interpreting this Agreement.

E. *Notices*. Any notice or other communication required or permitted by this Agreement to be given to a party shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by U.S. registered or certified mail (return receipt requested), or sent via facsimile (with receipt of confirmation of complete transmission) to the party at the party's address or facsimile number written below or at such other address or facsimile number as the party may have previously specified by like notice. If by mail, delivery shall be deemed effective 3 business days after mailing in accordance with this **Section 11.E**.

(1) If to the Company, to:

CytomX Therapeutics, Inc.

Attention: Sean McCarthy

343 Oyster Point Blvd. #100

South San Francisco, CA 94080

With a copy to:

Sidley Austin LLP

Attention: Sam Zucker

1001 Page Mill Road, Building 1

Palo Alto, CA 94304

(2) If to Consultant, to the address for notice on the signature page to this Agreement or, if no such address is provided, to the last address of Consultant provided by Consultant to the Company.

F. *Attorneys' Fees*. In any court action at law or equity that is brought by one of the parties to this Agreement to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, in addition to any other relief to which that party may be entitled.

G. *Severability*. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Consulting Agreement as of the date first written above.

CONSULTANT

By: /s/ Henry B. Lowman, Ph.D.

Name: Henry Lowman

Title: Consulting Chief Scientific Officer

Address for Notice:

PO Box 2556

400 San Juan Ave.

El Granada, CA 94018-2556

CytomX Therapeutics, Inc.

By: /s/ Sean McCarthy

Name: Sean McCarthy

Title: CEO

EXHIBIT A

Services and Compensation

1. *Contact*. Consultant's principal Company contact:

   Sean McCarthy, Chief Executive Officer

2. *Services*. The Services shall include, but are not limited to, the following: duties related to the transition of work.

3. *Date Services to Begin.* October 1, 2014

4. *Date Services to End.* December 31, 2014

5. *Compensation*.

   a) The Company will pay Consultant $25,008.33 per month during the term of this Agreement.

   b) The Company will reimburse Consultant for all reasonable expenses incurred by Consultant in performing the Services pursuant to this Agreement, if Consultant receives written consent from an authorized agent of the Company prior to incurring such expenses and submits receipts for such expenses to the Company in accordance with Company policy.

   c) At the end of the term of this Consulting Agreement, Consultant shall submit to the Company a written invoice for Services and expenses, and such statement shall be subject to the approval of the contact person listed above or other designated agent of the Company.

EXHIBIT B

SCIENTIFIC ADVISORY BOARD CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "**Agreement**") is made and entered into by and between **CYTOMX THERAPEUTICS, INC.**, a Delaware corporation, with an address at 343 Oyster Point Blvd., Suite 100, South San Francisco, CA 94080-1913, ("**Company**") and Henry B. Lowman, Ph.D. at 400 San Juan Ave., P.O. Box 2556, El Granada, CA 94018-2556 ("Consultant"), effective as of January 5, 2015.

RECITALS

WHEREAS, Consultant has skills and knowledge in the Company's field of endeavor and thus is well suited to advise the Company; and

WHEREAS, the Company desires that Consultant advise and consult with the Company in Consultant's area of expertise and on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual obligations specified in this Agreement, the parties agree to the following:

1. **CONSULTING SERVICES**. Consultant shall provide consulting services to the Company generally in the specialized field identified in Exhibit A (such field, the "Field", and such services the "Services"). The specific nature and amount of the consulting services to be performed by Consultant hereunder within the Field shall be as described generally in Exhibit A and in accordance with the Company's more specific instructions. Exhibit A lists Consultant's main contact person for the Services, and this person will be the primary source of Company's more specific instructions regarding the Services. Consultant will perform the Services in strict accordance with Exhibit A and the Company's other direction, using Consultant's highest degree of professional skill and expertise.

Consultant shall render the Services at such times and in such quantities as are set forth in Exhibit A. Consultant shall perform the Services at the Company's principal place of business, another Company location, or at other places set forth in Exhibit A. Consultant also agrees to perform a reasonable amount of informal consultation with the Company over the telephone or otherwise.

If Consultant is not a natural person, then Consultant shall perform the Services hereunder by the activities of its personnel listed in Exhibit A. Each person performing the Services hereunder must agree in writing before beginning work on the Services to be legally bound to the terms of this Agreement as applicable to her or him, including Sections 4, 5, 6 and 7. (If Consultant is not a natural person and requests a form of agreement to aid in its compliance with this paragraph, Company will gladly provide one.)

2. **COMPENSATION**. Company shall compensate Consultant in accordance with Exhibit A for Services actually provided by Consultant in accordance with this Agreement.

3. **AMENDMENTS TO EXHIBIT A**. Exhibit A sets forth the specifics of the Field, the Services, the location of the Services and compensation for the Services as of the Effective Date. Exhibit A may only be amended by a writing signed by an authorized representative of each party (in the case of the Company, a person having a seniority level of Vice President or higher).

4. **INDEPENDENT CONTRACTOR STATUS**. It is understood and agreed that Consultant is an independent contractor, is not an agent or employee of the Company, and is not authorized to act on behalf of the Company. Consultant agrees not to hold himself or herself out as, or give any person any

reason to believe that he or she is an employee, agent, joint venturer or partner of the Company. Consultant will not be eligible for any employee benefits, nor will the Company make deductions from any amounts payable to Consultant for taxes or insurance (except to the extent the Company is required by law to do so). All payroll and employment taxes, insurance, and benefits shall be the sole responsibility of Consultant. Consultant retains the right to provide services for others during the term of this Agreement and is not required to devote his or her services exclusively for the Company. This Section applies equally to Consultant's personnel performing hereunder.

5. **NO SOLICITATION**. During the term of this Agreement and for three (3) years after its termination, Consultant (and its personnel performing hereunder) will not personally or through others recruit, solicit or induce any employee of the Company to terminate his or her employment with the Company.

6. **MAINTAINING CONFIDENTIAL INFORMATION**.

6.1 **Company Information**. During the term of this Agreement and in the course of Consultant's performance hereunder, Consultant may receive or otherwise be exposed to confidential and proprietary information relating to the Company's technology, know-how, data, inventions, developments, plans, business practices, and strategies, and those of the Company's collaborators and business associates. Such confidential and proprietary information of the Company (collectively referred to as "**Information**") may include but not be limited to: (i) information supplied to Consultant with the legend "Confidential" or equivalent; (ii) the Company's marketing and customer support strategies, financial information (including sales, costs, profits and pricing methods), internal organization, employee information, customer lists and business plans; (iii) the Company's technology, including, but not limited to, discoveries, inventions, research and development efforts, manufacturing processes, assays, data (including without limitation preclinical, clinical and manufacturing data), software, trade secrets, processes, compounds, product, candidates, products, samples, media and/or cell lines (and procedures and formulations for producing any such samples, media and/or cell lines), vectors, viruses, assays, plasmids, formulas, methods, protocols, clinical trial designs and product know-how and show-how; (iv) all derivatives, improvements, additions, modifications, and enhancements to any of the above, including any such information or material created or developed by Consultant under this Agreement; (v) information of third parties as to which the Company has an obligation of confidentiality; and (vi) information regarding the Consulting Inventions (defined in Section 7.1).

Consultant acknowledges the confidential and secret character of the Information and agrees that the Information (with the exception of information in category (v)) is the sole, exclusive and extremely valuable property of the Company. Accordingly, Consultant shall not reproduce any of the Information without the applicable prior written consent of the Company, use the Information except in the performance of this Agreement, nor disclose all or any part of the Information in any form to any third party, either during or after the term of this Agreement. Upon termination of this Agreement for any reason, including expiration of term, Consultant agrees to cease using and to return to the Company all whole and partial copies of the Information.

Consultant shall not remove from the premises of Company or otherwise transfer to any third party any materials to which Company provides Consultant access, unless Consultant has express advance written consent from Company.

6.2 **Employer Information**. Consultant agrees that she, he or it will not, during her or his engagement with the Company, improperly use or disclose any proprietary information or trade secrets of her or his former or current employers or companies with which she or he has or has had a consulting or other relationship, if any, and that she or he will not bring onto the premises of the Company any

unpublished documents or any property belonging to her or his former or concurrent employers or companies (or that of Consultant's personnel performing hereunder) unless consented to in writing by said employers or companies, other than Background Technology in accordance with Section 7 .3.

6.3 **Third Party Information**. Consultant recognizes that the Company has received and in the future will receive from third patties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and, in some cases, to use it only for certain limited purposes. Consultant agrees that he, she or it owes the Company and such third parties, both during the term of her or his engagement and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation (except in a manner that is consistent with the Company's agreement with the third patty) or use it for the benefit of anyone other than the Company or such third party (consistent with the Company's agreement with the third patty).

7. **INVENTIONS**.

7.1 **Disclosure of Inventions**. Consultant shall promptly and fully disclose to the Company any and all ideas, improvements, inventions, know-how, techniques and works of authorship learned, conceived or developed by Consultant pursuant to her, his or its performance of the Services for the Company and/or using the Information (whether such use of Information occurs during or after the term of this Agreement (and without implying any right to use the Information outside of performing the Services)) (all of the foregoing, together with all intellectual property rights therein (including without limitation patent applications and patents), the "**Consulting Inventions**"). **All inventions by Consultant during the term of the Services or within one (1) year thereafter and having utility in the field of protease-activated biologics shall be presumed to have been made using the Information unless Consultant is able to show conclusively that they were not.** Consultant shall keep and maintain adequate and current records (in the form of notes, sketches, drawings, laboratory notebooks or any other form that may be required by the Company) of all work performed relating to the Services, including all proprietary information developed relating thereto. Such records shall be available to and remain the sole property of the Company at all times.

7.2 **Inventions Assigned to the Company**. Consultant agrees that any and all Consulting Inventions shall be the sole and exclusive property of the Company. Accordingly, Consultant hereby assigns to the Company all her, his or its right, title and interest in and to the Consulting Inventions, and agrees to execute and deliver (during and after the term of this Agreement and for no additional consideration) all documents and take all reasonable, lawful actions to assist the Company to evidence or record such assignment or perfect, defend or enforce the Consulting Inventions. Consultant shall do so both during and after the term of this Agreement, for no additional consideration beyond the payments from Company to Consultant for the Services during the term of this Agreement. Further, if Company is unable, after making reasonable inquiry, to obtain Consultant's signature on any such documents, Consultant hereby appoints Company as Consultant's attorney-in-fact to execute and deliver such documents. Consultant explicitly. acknowledges and agrees that all works of authorship contained in the Consulting Inventions are "works for hire" under the copyright laws of the United States, and that the Company shall own the copyright in all such works of authorship.

7.3 **Background Technology**. Consultant shall specifically describe and identify in Exhibit B any and all technology (including without limitation information, materials and patent rights) that (i) Consultant may use in performing the Services; (ii) is owned by Consultant free of encumbrances or licensed to Consultant with the right to sublicense the Company; and (iii) is in existence prior to the Effective Date (the "**Background Technology**"). Consultant hereby grants to Company a non-exclusive, royalty-free and worldwide right to use and sublicense the use of any Background Technology for the purpose of developing and marketing Company products and programs, but not for the purpose of marketing the Background Technology separately from these products and programs.

7.4 **Obligation to Keep the Company Informed**. During the term of this Agreement, and for one (1) year after its termination for any reason, Consultant will promptly disclose to the Company fully and in writing all patent applications filed by her, him or it, or on her, his or its behalf.

7.5 **Personnel**. If Consultant is not a natural person, then its personnel performing hereunder must agree in writing to all of Section 7.

8. **TERMINATION**. The Company may terminate this Agreement at any time with or without cause by giving Consultant thirty (30) days written notice unless Exhibit A provides otherwise. Consultant may likewise terminate this Agreement with thirty (30) days written notice. If this Agreement terminates, Consultant shall cease work immediately after giving or receiving such notice or termination, unless otherwise advised by the Company, shall return to the Company all Information, Consulting Inventions, and other materials belonging to the Company, and shall notify the Company of costs incurred up to the termination date. Sections 6- 14 of this Agreement shall survive any termination of this Agreement. Unless earlier terminated as provided herein, this Agreement shall expire one year after the Effective Date.

9. **COMPLIANCE WITH APPLICABLE LAWS**. Consultant warrants that all material supplied and work performed under this Agreement complies with or will comply with all applicable United States and foreign taws and regulations.

10. **ASSIGNMENT; BENEFIT**. This Agreement is for the personal services of Consultant (or one or more of its personnel) and may not be assigned by her, him or it. Consultant may not delegate any of his, her or its duties under this Agreement nor shall it be assignable by Consultant by operation of law, without the prior written consent of the Company. This Agreement may be assigned at any time by the Company in its discretion, *provided* that Consultant would not be required to perform personal services for any entity not (a) affiliated with the Company or (b) that has merged with or acquired all or substantially all of its assets to which the Services relate. The parties' rights and obligations under this Agreement will bind and inure to the benefit of their respective successors, heirs, executors, and administrators and permitted assigns.

11. **LEGAL AND EQUITABLE REMEDIES**. Consultant hereby acknowledges and agrees that if Consultant breaches this Agreement, including, without limitation, by the actual or threatened disclosure of Information or Consulting Inventions without the prior express written consent of the Company, the Company will suffer an irreparable injury, such that no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, Consultant hereby agrees that the Company shall be entitled to specific performance of Consultant's obligations under this Agreement, as welt as such further relief as may be granted by a court of competent jurisdiction.

12. **GOVERNING LAW; SEVERABILITY**. This Agreement shall be governed by and construed according to the laws of California, without giving effect to its conflict of laws rules. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, that provision shall be severed and the remainder of this Agreement shall continue in full force and effect. Any disputes arising under this Agreement shall be resolved by trial to a judge as the finder of fact seated in a court of competent subject matter jurisdiction in San Mateo County, California. Each party hereby consents to, and waives any defenses that party may have to or conflicting with, the personal jurisdiction and venue of all such courts or relating to trial to a judge (including without limitation the defense of *forum non conveniens).*

13. **COMPLETE UNDERSTANDING; MODIFICATION**. This Agreement constitutes the final, exclusive and complete understanding and agreement of the Company and Consultant with respect to the subject matter hereof. There are no other understandings, agreements, representations or warranties between the parties with respect to that subject matter other than those set forth in this Agreement. Any waiver, modification or amendment of any provision of this Agreement shall be effective only if in writing and signed by a Company officer.

14. **NOTICES**. Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery to the appropriate address or sent by certified or registered mail, three days after the date of mailing. Either party may update its notice address by written notice to the other party.

If to the Company:

CYTOMX THERAPEUTICS, INC.
343 Oyster Point Blvd., Suite 100
South San Francisco, CA 94080-1913

If to the Consultant:

Henry B. Lowman, Ph.D.
400 San Juan Ave., P.O. Box 2556
El Granada, CA 94018-2556

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

CYTOMX THERAPEUTICS, INC.

SIGNED /s/ Sean McCarthy
TO HAVE EFFECT AS OF THE EFFECTIVE DATE (RETROACTIVELY, IF SIGNED LATER THAN THE EFFECTIVE DATE).

CONSULTANT

SIGNED /s/ Henry B. Lowman, Ph.D.
TO HAVE EFFECT AS OF THE EFFECTIVE DATE (RETROACTIVELY, IF SIGNED LATER THAN THE EFFECTIVE DATE).

EXHIBIT A

FIELD, WORK PLAN, COMPENSATION

Field: Protease Activated Biologics

Work Plan:

Main contact for Consultant will be Sean McCarthy, CEO, until and unless the Company notifies Consultant in writing of a different main contact.

Compensation:

Consultant will receive an option grant of 1,000,000 shares of common stock of the Company. Monthly vesting of this grant begins January 5, 2015 and is subject to the company's standard 4-year term.

Consultant will receive annual payments of $10,000 which will be payable as $2500 per quarter. This is intended to cover Scientific Advisory Board (SAB) and Translational Advisory Board (TAB) meetings and other ad hoc discussions.

The Company shall reimburse consultant for reasonable out of pocket expenses incurred during performance of the Services.

Any additional expenses incurred by Consultant that are charged to CytomX require Company's advance notice and written consent.

Consultant will invoice Company for such amounts no sooner than completion of the applicable task or event, and such invoices shall be payable within fifteen (15) days after receipt by Company.

EXHIBIT B

BACKGROUND TECHNOLOGY

If no Background Technology then include the following:

"No background technology.

/s/ HB initials Consultant

_____ initials Company

Exhibit 10.17

FOIA CONFIDENTIAL TREATMENT REQUESTED

RESEARCH COLLABORATION AGREEMENT

BETWEEN

CYTOMX THERAPEUTICS, INC.

AND

IMMUNOGEN, INC.

JANUARY 8, 2014

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

TABLE OF CONTENTS

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBITS

Exhibit A – CytomX Research Program Target

Exhibit B – Form of Joint Press Release

Exhibit C – Form of License Agreement where CytomX is licensing the ImmunoGen Technology upon exercise of the CytomX Option

Exhibit D – Form of License where ImmunoGen is licensing the CytomX Technology upon exercise of an ImmunoGen Option

Exhibit E – Form of Work Plan

Exhibit F – Representatives to the Joint Research Committee

Schedule 1.104 – List of Cytotoxic Compound Patent Rights

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

RESEARCH COLLABORATION AGREEMENT

This Research Collaboration Agreement (the "**Agreement**") is entered into as of January 8, 2014 (the "**Effective Date**"), by and between **CytomX Therapeutics, Inc.**, a corporation organized and existing under the laws of Delaware and having a place of business at 343 Oyster Point Blvd., Suite 100, South San Francisco, California, 94080 United States ("**CytomX**") and **ImmunoGen, Inc.**, a corporation organized and existing under the laws of Massachusetts and having a p lace of business at 830 Winter Street, Waltham, Massachusetts, 02451 ("**ImmunoGen**"). CytomX and ImmunoGen may each be referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, ImmunoGen is engaged in the development of novel, targeted anti-cancer therapeutic products using tumor-targeting monoclonal antibodies to deliver cancer-cell killing agents and has developed and owns proprietary rights to certain Cytotoxic Compound and Linker (both as defined below) technology;

WHEREAS, CytomX has developed and owns proprietary rights to certain technology relating to a proprietary platform to enable the development of fully recombinant, protease-activated monoclonal antibodies, including Probodies (as defined below); and

WHEREAS, ImmunoGen and CytomX desire to collaborate to discover and research novel Probodies and Probody drug conjugates active against certain designated targets and to provide for each Party to further research, develop, manufacture and commercialize Probody drug conjugates, as provided for herein.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

When used in this Agreement, the following capitalized terms shall have the meanings set forth in this Article 1.

1.1. "**ADC**" means a compound that incorporates, is comprised of or is otherwise derived from an Antibody (or other cell-binding moiety) conjugated to a Payload using a Linker, other than a PDC.

1.2. "**Affiliate**" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person shall be regarded as in control of another entity if it owns or controls at least fifty percent (50%) of the equity securities of the subject entity entitled to vote in the election of directors (or, in the case of an entity that is not a corporation, for the election of the corresponding managing authority), provided, however, that the term "Affiliate" shall not include subsidiaries or other entities in which a Party or its Affiliates owns a majority of the ordinary voting

power necessary to elect a majority of the board of directors or other managing authority, but is restricted from electing such majority by contract or otherwise, until such time as such restrictions are no longer in effect. A Person shall be deemed an Affiliate only so long as it satisfies the foregoing definition.

1.3. "**Agreement PDC**" means any PDC created or developed in the course of the Research Program.

1.4. "**Agreement Probody**" means any Probody that is created or developed in the course of the Research Program to Target a Research Program Target.

1.5. "**Alliance Manager**" is defined in Section 2.5 hereof.

1.6. "**Antibody**" means a molecule which comprises or contains: (a) one or more immunoglobulin variable domains; or (b) fragments, variants, modifications or derivatives of such immunoglobulin variable domains irrespective of origin or source, including but not limited to antigen binding portions including Fab, Fab', F(ab')2, Fv, dAb and CDR fragments, single chain antibodies (scFv), chimeric antibodies, monospecific antibodies, diabodies and polypeptides (including humanized versions thereof) that contain at least a portion of an immunoglobulin that is sufficient to confer specific antigen binding to the polypeptide. For clarity, as used in this Agreement, the term "Antibody" shall not include Probodies or PDCs.

1.7. "**Applicable Law**" means the laws, statutes, rules, regulations, guidelines, or other requirements that may be in effect from time to time and apply to a particular activity contemplated hereby, including any such laws, statutes, rules, regulations, guidelines or other requirements of the FDA or the EMA or any applicable securities regulatory authorities or national securities exchanges or securities listing organizations.

1.8. "**Bankruptcy Code**" is defined in Section 3.3 hereof.

1.9. "**Binding Obligation**" means, with respect to a Party (a) any oral or written agreement or arrangement that binds or legally affects such Party's operations or property, including any assignment, license agreement, loan agreement, guaranty, or financing agreement; (b) the provisions of such Party's charter, bylaws or other organizational documents or (c) any order, writ, injunction, decree or judgment of any court or Governmental Authority entered against such Party or by which any of such Party's operations or property are bound.

1.10. **Business Day**" means a day other than a Saturday, a Sunday or other day on which banking institutions in Boston, Massachusetts or San Francisco, California are required to be closed or are actually closed with legal authorization.

1.11. "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, for so long as this Agreement is in effect.

1.12. "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

1.13. "**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 normally use to accomplish a similar objective under similar circumstances.

1.14. "**Confidential Information**" of a Party means (a) with respect to ImmunoGen, (i) the identity of the ImmunoGen Research Program Targets and (ii) the identification by ImmunoGen of any Target proposed by CytomX to be a Replacement Target as an ImmunoGen Excluded Target, (b) with respect to CytomX, (i) the identity of the CytomX Research Program Target and (ii) the identification by CytomX of any Target proposed by ImmunoGen to be a Replacement Target as a CytomX Excluded Target, and (c) with respect to both Parties, all Know-How or other information, including proprietary information and materials (whether or not patentable) regarding such Party's technology, products, business or objectives, that is communicated in any way or form by or on behalf of such Party (in such capacity, the "**Disclosing Party**") to the other Party (in such capacity, the "**Receiving Party**") or to any of the Receiving Party's or its Affiliates' employees, consultants or subcontractors (collectively, "**Representatives**"), either prior to or after the Effective Date of this Agreement (including any information disclosed pursuant to the Confidentiality Agreement), and whether or not such Know-How or other information is identified as confidential at the time of disclosure. The terms and conditions of this Agreement shall be deemed to be the Confidential Information of each Party. Confidential Information within the CytomX Program Technology shall be deemed to be the Confidential Information of CytomX. Confidential Information within the ImmunoGen Program Technology shall be deemed to be the Confidential Information of ImmunoGen. Confidential Information within the Joint Improvements shall be deemed to be the Confidential Information of each Party. Certain other information is designated as Confidential Information throughout this Agreement and is included in this definition.

1.15. "**Confidentiality Agreement**" means that certain Mutual Confidential Disclosure Agreement between the Parties effective as of March 21, 2013.

1.16. "**Conjugation Probody Platform Improvements**" is defined in Section 1.104 hereof.

1.17. "**Control**" or "**Controlled**" means, with respect to any (a) item of information, including Know-How, (b) intellectual property right, or (c) Proprietary Material, the possession (whether by ownership interest or license, other than pursuant to this Agreement) by a Party of the ability to grant to the other Party access to or a license under such item, right or material, as provided herein, without violating the terms of any agreement or other arrangements with any Third Party.

1.18. "**Covered Results**" is defined in Section 6.3.2 hereof.

1.19. "**CytomX Activities**" means the Work Plan Activities that are to be undertaken by CytomX or its Affiliates.

1.20. "**CytomX Agreement PDCs**" means Agreement PDCs that Target the CytomX Research Program Target.

1.21. "**CytomX Background Technology**" means any Proprietary Material, Patent Right, Know-How or other intellectual property right that is (a) owned or Controlled by CytomX or any Affiliate of CytomX *and* (b) exists as of and/or was conceived prior to the Effective Date or is developed or obtained by CytomX or any of its Affiliates independently of this Agreement without the use of ImmunoGen's Confidential Information. For purposes of clarity, CytomX Background Technology includes CytomX Proprietary Materials, but does not include Agreement PDCs or ImmunoGen Probodies, although the Parties acknowledge that CytomX Background Technology may be incorporated into Agreement PDCs and ImmunoGen Probodies.

1.22. "**CytomX Excluded Target**" means any Target as to which (a) CytomX or an Affiliate of CytomX is pursuing a CytomX Internal Program with respect to such Target, (b) CytomX has granted, or is obligated to grant, an option or license to a Third Party under any [***] or [***] by CytomX that are necessary or useful for the development, manufacture, use or sale of any compound or product that [***] (as used in this definition, a "**Third Party Right**"), (c) CytomX has entered into a [***] agreement or [***] with a Third Party that is in effect as of the date of CytomX's receipt of a Proposed Target Notice from ImmunoGen, that [***] CytomX from [***] the [***] in the [***] or [***] to [***] a [***] for the [***] on the terms and conditions of this Agreement or (d) CytomX is in [***] discussions with a Third Party with respect to [***] in which confidential information has been shared under the terms of a written confidential disclosure agreement entered into by CytomX and such Third Party within the [***]-day period immediately preceding the date of CytomX's receipt of the applicable Proposed Target Notice from ImmunoGen. A Target shall be deemed a CytomX Excluded Target only so long as it satisfies the foregoing definition.

1.23. "**CytomX Indemnified Party**" is defined in Section 9.2 hereof.

1.24. "**CytomX Internal Product Candidate**" means any cell-binding agent (which may or may not be a Probody), which may be unconjugated or conjugated to a cell-killing or cell-modulating agent (other than a Cytotoxic Compound).

1.25. "**CytomX Internal Program**" means a *bona fide* internal research, development or commercialization undertaken by CytomX with respect to a Target, with respect to which [***].

1.26. "**CytomX License Agreement**" means the written license agreement in the form of Exhibit C attached hereto that will be entered into by the Parties upon CytomX's exercise of the CytomX Option.

1.27. "**CytomX Licensed Intellectual Property**" means any and all intellectual property (including Patent Rights and Know-How) owned or Controlled by CytomX, including the CytomX Technology, that is necessary or useful for ImmunoGen to conduct the ImmunoGen Activities. Notwithstanding the foregoing, CytomX Licensed Intellectual Property shall not include Tools.

1.28. "**CytomX Licensed Product**" means a PDC having a Payload that is a Cytotoxic Compound and Targeting a CytomX Licensed Target.

1.29. "**CytomX Licensed Target**" is defined in Section 3.2.3 hereof.

1.30. "**CytomX Option**" is defined in Section 3.2.1 hereof.

1.31. "**CytomX Option Exercise Cut-Off Date**" is defined in Section 3.2.2 hereof.

1.32. "**CytomX Option Exercise Date**" is defined in Section 3.2.2 hereof.

1.33. "**CytomX Patent Right**" means any Patent Right comprised in the CytomX Technology.

1.34. "**CytomX Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which are employees, agents or independent contractors of CytomX or any of its Affiliates.

1.35. "**CytomX Proprietary Materials**" means biological materials (including any Probodies, Masks or Substrates) and other tangible research materials owned or Controlled by CytomX and provided by CytomX to ImmunoGen under this Agreement. Agreement PDCs and ImmunoGen Probodies, in and of themselves, will not be considered to be CytomX Proprietary Materials, although the Parties acknowledge that CytomX Proprietary Materials may be incorporated into Agreement PDCs and ImmunoGen Probodies.

1.36. "**CytomX Research Program Target**" means the Target selected by CytomX (other than an ImmunoGen Excluded Target) for inclusion in the Research Program in accordance with Section 2.1 hereof. A Target ceases to be a CytomX Research Program Target once (a) it has become the subject of a Development and Commercialization License in accordance with Section 3.2.2 hereof or (b) it has been dropped from the Research Program in accordance with Section 2.1.3 hereof.

1.37. "**CytomX TAP Platform Improvements**" means any TAP Platform Improvements (other than TAP Platform Improvements comprised in the Joint Program Technology) the inventors of which (alone or with others) area employees of, or others obligated to assign inventions to, CytomX or any of its Affiliates or Permitted Third Party Service Providers pursuant to the conduct of the Research Program.

1.38. "**CytomX Technology**" means, collectively, the CytomX Background Technology and the CytomX Program Technology.

1.39. "**Cytotoxic Compound**" means [***] Compounds and [***] Compounds.

1.40. "**Development and Commercialization License**" means a license under the intellectual property rights (including Patent Rights and Know-How) owned or Controlled by the licensor Party with respect to the Research Program Target specified in the applicable Option Exercise Notice as set forth in the applicable License Agreement.

1.41. "**Disclosing Party**" is defined in Section 1.14 hereof.

1.42. "**Disclosure Letter**" has the meaning ascribed to such term, with respect to each Development and Commercialization License, as set forth in the applicable License Agreement.

1.43. "**Dispute**" is defined in Section 10.9 hereof.

1.44. "**Effective Date**" is defined in the introduction to this Agreement.

1.45. "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.46. "**Field**" means all human therapeutic, prophylactic and diagnostic uses.

1.47. "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.), as amended, and the rules and regulations promulgated thereunder.

1.48. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.49. "**GLP**" means all good laboratory practices under Title 21 of the United States Code of Federal Regulations, as amended from time to time.

1.50. "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.51. "[***] **Compounds**" means [***].

1.52. "**ImmunoGen Activities**" means the Work Plan Activities that are to be undertaken by ImmunoGen or its Affiliates.

1.53. "**ImmunoGen Agreement PDCs**" means Agreement PDCs that Target the ImmunoGen Research Program Target(s).

1.54. "**ImmunoGen Background Technology**" means any Proprietary Material, Patent Right, Know-How or other intellectual property right that is (a) owned or Controlled by ImmunoGen or any Affiliate of ImmunoGen *and* (b) exists as of and/or was conceived prior to the Effective Date or is developed or obtained by ImmunoGen or any of its Affiliates independently of this Agreement and without the use of CytomX's Confidential Information. For purposes of clarity, ImmunoGen Background Technology includes ImmunoGen Proprietary Materials, but does not include Agreement PDCs, although the Parties acknowledge that ImmunoGen Background Technology may be incorporated into Agreement PDCs.

1.55. "**ImmunoGen Excluded Target**" means any Target as to which (a) ImmunoGen or an Affiliate of ImmunoGen is pursuing an ImmunoGen Internal Program with respect to such Target, (b) ImmunoGen has granted, or is obligated to grant, an option or license to a Third Party under any [***] or [***] by ImmunoGen that are necessary or useful for the development, manufacture, use or sale of any compound or product that [***] (as used in this definition, a "**Third Party Right**"), (c) ImmunoGen has entered into a [***] agreement or [***] with a Third Party that is in effect as of the date of ImmunoGen's receipt of a Proposed Target Notice from CytomX, that [***] ImmunoGen from [***] the [***] in the [***] or [***] to [***] a [***] for the [***] on the terms and conditions of this Agreement, (d) ImmunoGen is in [***] discussions with a Third Party with respect to a [***] in which [***] has been shared under the terms of a written confidential disclosure agreement entered into by ImmunoGen and such Third Party within the [***]-day period immediately preceding the date of ImmunoGen's receipt of the applicable Proposed Target Notice from CytomX or (e) [***]. A Target shall be deemed an ImmunoGen Excluded Target only so long as it satisfies the foregoing definition.

1.56. "**ImmunoGen Indemnified Party**" is defined in Section 9.3 hereof.

1.57. "**ImmunoGen Internal Product Candidate**" means any cell-binding agent (other than a Probody), which may be unconjugated or conjugated to a cell-killing or cytostatic agent (which may or may not be a Cytotoxic Compound).

1.58. "**ImmunoGen Internal Program**" means a *bona fide* internal research, development or commercialization undertaken by ImmunoGen with respect to a Target, with respect to which[***]

1.59. "**ImmunoGen License Agreement**" means the written license agreement in the form of Exhibit D attached hereto that will be entered into by the Parties upon ImmunoGen's exercise of each ImmunoGen Option.

1.60. "**ImmunoGen Licensed Intellectual Property**" means any and all intellectual property (including Patent Rights and Know-How) owned or Controlled by ImmunoGen, including the ImmunoGen Technology, that is necessary or useful for CytomX to conduct the CytomX Activities.

1.61. "**ImmunoGen Licensed Product**" means a PDC having a Payload that is a Cytotoxic Compound and Targeting an ImmunoGen Licensed Target.

1.62. "**ImmunoGen Licensed Target**" is defined in Section 3.1.3 hereof.

1.63. "**ImmunoGen Option**" is defined in Section 3.1.1 hereof.

1.64. "**ImmunoGen Option Exercise Cut-Off Date**" is defined in Section 3.1.2 hereof.

1.65. "**ImmunoGen Option Exercise Date**" is defined in Section 3.1.2 hereof.

1.66. "**ImmunoGen Patent Right**" means any Patent Right comprised in the ImmunoGen Technology.

1.67. "**ImmunoGen Probody(ies)**" means the Agreement Probody(ies) Targeting the ImmunoGen Research Program Targets.

1.68. **"ImmunoGen Probody Platform Improvements**" means any Probody Platform Improvements (other than Probody Platform Improvements comprised in the Joint Program Technology) the inventors of which (alone or with others) area employees of, or others obligated to assign inventions to, ImmunoGen or any of its Affiliates or Permitted Third Party Service Providers pursuant to the conduct of the Research Program.

1.69. "**ImmunoGen Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which are employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.70. "**ImmunoGen Proprietary Materials**" means any chemical (including any Cytotoxic Compounds), biological (including any Antibodies) and other tangible research materials owned or Controlled by ImmunoGen and provided by ImmunoGen to CytomX under this Agreement. Agreement PDCs, in and of themselves, will not be considered to be ImmunoGen Proprietary Materials, although the Parties acknowledge that ImmunoGen Proprietary Materials may be incorporated into Agreement PDCs.

1.71. "**ImmunoGen Research Program Target**" means a Target selected by ImmunoGen (other than a CytomX Excluded Target) for inclusion in the Research Program in accordance with Section 2.1 hereof. A Target ceases to be an ImmunoGen Research Program Target once (a) it has become the subject of a Development and Commercialization License in accordance with Section 3.1.2 hereof or (b) it has been dropped from the Research Program in accordance with Section 2.1.3 hereof.

1.72. "**ImmunoGen Technology**" means, collectively, the ImmunoGen Background Technology and the ImmunoGen Program Technology.

1.73. "**Improvement**" is defined in Section 1.104 hereof.

1.74. "**IND**" means an Investigational New Drug Application, as defined in the FD&C Act, that is required to be filed with the FDA before beginning clinical testing of a Licensed Product in human subjects, or an equivalent foreign filing.

1.75. "**Indemnified Party**" is defined in Section 9.4.1 hereof.

1.76. "**Indemnifying Party**" is defined in Section 9.4.1 hereof.

1.77. "**Independent Patent Counsel**" means an outside patent counsel reasonably acceptable to both Parties who (and whose firm) is not at the time of the dispute, and was not at any time during the five (5)-year period preceding the dispute, performing legal services of any nature for either of the Parties or their respective Affiliates and which did not, at any time, employ either of the Parties' chief patent counsels (or persons with similar responsibilities).

1.78. "**Insolvency Event**" means the occurrence of any of the following: (a) a case is commenced by or against a Party under applicable bankruptcy, insolvency or similar laws, and is not dismissed within ninety (90) days, (b) a Party files for or is subject to the institution of bankruptcy, reorganization, liquidation, receivership or similar proceedings, (c) a Party assigns all or a substantial portion of its assets for the benefit of creditors, (d) a receiver or custodian is appointed for a Party's business, (e) a substantial portion of a Party's business is subject to attachment or similar process, or (f) anything analogous to any of the events described in the foregoing clauses (a) through (e) occurs under the laws of any applicable jurisdiction.

1.79. "**Joint Patent Right**" means any Patent Right comprised in the Joint Program Technology.

1.80. "**Joint Program Technology**" means any Program Technology the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.81. "**Joint Research Committee**" or "**JRC**" is defined in Section 2.4.1 hereof.

1.82. "**Know-How**" means any proprietary invention, discovery, data, information, process, method, technique, material, technology, result or other know-how, whether or not patentable.

1.83. "**Liability**" is defined in Section 9.2 hereof.

1.84. "**License Agreement**" means the CytomX License Agreement and/or the ImmunoGen License Agreement, as applicable.

1.85. "**Licensed Product**" has the meaning ascribed to such term in the License Agreement applicable to a particular Licensed Target.

1.86. "**Licensed Target**" means a CytomX Licensed Target or an ImmunoGen Licensed Target, as applicable.

1.87. "**Linker**" means any compound or composition that is useful for linking a cytotoxic or cytostatic moiety, including, without limitation, a Cytotoxic Compound, and a cell-binding moiety, including, without limitation, an Antibody or a Probody, together to form a conjugate of the cytotoxic or cytostatic moiety with the cell-binding moiety.

1.88. "**Mask**" means a peptide or polypeptide linked to an Antibody that is capable of inhibiting the specific binding of the Antibody to its Target.

1.89. "**Material Breach**" is defined in Section 8.2 hereof.

1.90. "[***] **Compound**" means [***].

1.91. "**Non-Disclosing Party**" is defined in Section 6.3.2 hereof.

1.92. "**Notice of Dispute**" is defined in Section 10.9.1 hereof.

1.93. "**Option**" means the CytomX Option and/or the ImmunoGen Options, as applicable.

1.94. "**Option Exercise Date**" means the CytomX Option Exercise Date or the ImmunoGen Option Exercise Date, as applicable.

1.95. "**Option Exercise Notice**" means the written notice of exercise of an Option delivered by ImmunoGen to CytomX pursuant to Section 3.1.2 hereof or by CytomX to ImmunoGen pursuant to Section 3.2.2 hereof.

1.96. "**Party**" and "**Parties**" is defined in the introduction to this Agreement.

1.97. "**Patent Committee**" is defined in Section 5.2.4 hereof.

1.98. "**Patent Rights**" means any and all (a) patents, (b) pending patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patents granted thereon, (c) all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) any other form of government-issued right substantially similar to any of the foregoing and (f) all United States and foreign counterparts of any of the foregoing.

1.99. "**Payload**" means a therapeutic cytotoxic or cytostatic compound, including, without limitation, a Cytotoxic Compound.

1.100. "**PDC**" means a compound that incorporates, is comprised of or is otherwise derived from, a Probody conjugated to a Payload using a Linker.

1.101. "**Permitted Third Party Service Providers**" is defined in Section 3.1.1 hereof.

1.102. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.103. "**Probody**" means an Antibody linked to a Substrate and a Mask that is claimed or covered by CytomX Technology.

1.104. "**Probody Platform Improvements**" means any Patent Right, Know-How or other intellectual property right that is an enhancement, improvement or modification (each, an "**Improvement**") to the CytomX Technology invented by either Party or any of its Affiliates (or by a Third Party on behalf of either Party or its Affiliates) that is an Improvement to the composition of, or any method of using or method of making or any Tools for developing, any unconjugated Probody, Mask or Substrate (collectively, "**Unconjugated Probody Platform Improvements**"). Probody Platform Improvements

also include Improvements (a) to any of the analytical methods used for making, releasing and characterizing any Agreement PDCs that are necessary because of the presence of a Mask and/or Substrate, or (b) consisting of conjugation chemistry or conjugation methods that are necessary because of the presence of a Mask and/or Substrate (collectively, "**Conjugation Probody Platform Improvements**"). Agreement PDCs and ImmunoGen Probodies, in and of themselves, will not be considered to be Probody Platform Improvements, although the Parties acknowledge that Probody Platform Improvements may be incorporated into Agreement PDCs and ImmunoGen Probodies. [***] Cytotoxic Compound[1] [***] ADCs.

1.105. "**Program Technology**" means any and all intellectual property (including Patent Rights and Know-How) that either Party or any of its Affiliates or Permitted Third Party Service Providers (or any of their respective employees, agents or independent contractors), alone or with others, makes, creates, develops, discovers, conceives or first actually reduces to practice pursuant to the Research Program, including any Patent Rights related thereto. For purposes of clarity, all Agreement PDCs and ImmunoGen Probodies shall be deemed to be Program Technology.

1.106. "**Proposed Target**" means the Target identified in a Proposed Target Notice.

1.107. "**Proposed Target Notice**" means the written notice provided by one Party to the other Party pursuant to Section 2.1.1 or 2.1.3 hereof requesting that a Target be included in the Research Program as a Research Program Target or a Replacement Target.

1.108. "**Proprietary Material**" means any CytomX Proprietary Material or ImmunoGen Proprietary Material.

1.109. "**Publishing Party**" is defined in Section 6.3.2 hereof.

1.110. "**Receiving Party**" is defined in Section 1.14 hereof.

1.111. "**Regulatory Approval**" means any technical, medical, scientific or other license, registration, authorization or approval of any Regulatory Authority (including any approval of a New Drug Application or Biologic License Application) necessary for the development, manufacture or commercialization of a pharmaceutical product in any regulatory jurisdiction.

1.112. "**Regulatory Authority**" means the FDA or any counterpart of the FDA outside the United States, or other national, supra-national, regional, state or local regulatory jurisdiction, any agency, department, bureau, commission, council or other governmental entity with authority over the conduct of the Research Program and the Work Plan Activities.

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1 [***] "Cytotoxic Compound" [***]

1.113. "**Replacement Target**" is defined in Section 2.1.2 hereof.

1.114. "**Replacement Target Cut-Off Date**" is defined in Section 2.1.2 hereof.

1.115. "**Representatives**" is defined in Section 1.14 hereof.

1.116. "**Research Program**" is defined in Section 2.2 hereof.

1.117. "**Research Program Target**" means a CytomX Research Program Target and/or an ImmunoGen Research Program Target, as applicable.

1.118. "**Review Period**" is defined in Section 6.3.2 hereof.

1.119. "[***]" means [***].

1.120. "**Substrate**" means a moiety that is linked to the Antibody and to the Mask of a Probody and is capable of being cleaved, reduced or photolysed.

1.121. "**TAP Platform Improvements**" means any Improvement to the ImmunoGen Technology invented by [***] or any of its Affiliates (or by a Third Party on behalf of [***] or its Affiliates) that is (a) an Improvement to the [***] of or [***] of [***] Cytotoxic Compound, (b) an Improvement to the [***] for [***] ADCs or PDCs (including, for example, [***] or [***] that create improvements in the yield of such conjugate), (c) an Improvement to the [***] of or [***] for [***], (d) an Improvement to any of the [***] used for [***] and [***] any Cytotoxic Compound, [***] ADCs or PDCs, or (e) an Improvement to the [***] of ADCs or PDCs. [***] PDCs, in and of themselves, will not be deemed to be TAP Platform Improvements, although the Parties acknowledge that TAP Platform Improvements may be incorporated into [***] PDCs.

1.122. "**Target**" means a protein described by a unique UniProtKB/Swiss Prot accession number (and all fragments, mutations and splice variants thereof) that is bound by a cell-binding agent.

1.123. "**Target,**" "**Targeting**" or "**Targeted**" means, when used as a verb to describe the relationship between a molecule and a Target, where the molecule's primary intended mechanism of action requires that it bind to the Target (or a portion thereof).

1.124. "**Term**" is defined in Section 8.1 hereof.

1.125. "**Territory**" means the entire world.

1.126. "**Third Party**" means any Person other than CytomX, ImmunoGen or their respective Affiliates.

1.127. "**Third Party Claims**" is defined in Section 9.2 hereof.

1.128. **"Tools"** means [***] PDCs[***].

1.129. "**Unauthorized Use**" is defined in Section 2.10.3 hereof.

1.130. "**Unconjugated Probody Platform Improvements**" is defined in Section 1.104 hereof.

1.131. "**Work Plan**" is defined in Section 2.3.1 hereof.

1.132. "**Work Plan Activities**" is defined in Section 2.3.2 hereof.

1.133. "**Work Plan Change**" is defined in Section 2.3.3 hereof.

2. RESEARCH PROGRAM.

2.1. **Selection of Research Program Targets**.

2.1.1. **Research Project Targets**. The Parties' respective initial Research Program Targets are set forth on Exhibit A. Subject to Sections 2.1.2 and 2.1.3 hereof, CytomX is permitted to include one (1) Research Program Target in the Research Program at any given time, and ImmunoGen is permitted to include up to two (2) Research Program Targets in the Research Program at any given time. In no event will CytomX be required to engage in material activities under a Work Plan for more than one (1) ImmunoGen Research Program Target at a time.

2.1.2. **Target Replacement Right**. Each Party shall have the right to replace each of its initial Research Program Targets with another single Target (a "**Replacement Target**"), exercisable upon written notice to the other Party, at any time on or prior to the three (3)-year anniversary of the Effective Date (the "**Replacement Target Cut-Off Date**"), provided that neither Party may replace an initial Research Program Target with a Replacement Target once the Party has exercised its Option with respect to such initial Research Program Target. [***] PDC [***] A Replacement Target may not be a Target that is or was previously a Research Program Target of the other Party.

2.1.3. **Availability of Replacement Target.** If a Party desires to replace a Research Program Target with a Replacement Target, it shall provide the other Party with a Proposed Target Notice no later than the Replacement Target Cut-Off Date identifying both the Proposed Target and the existing Research Program

Target to be replaced. Within [***] following the other Party's receipt of a Proposed Target Notice, such other Party shall notify the Party requesting the Replacement Target in writing whether or not, as of the date of the other's Party's receipt of such Proposed Target Notice, the Proposed Target is a CytomX Excluded Target or an ImmunoGen Excluded Target, as applicable. If the other Party timely notifies the Party requesting the Replacement Target that the Proposed Target is not a CytomX Excluded Target or an ImmunoGen Excluded Target, as applicable, or if the other Party fails to timely provide any response to the Proposed Target Notice, then such Proposed Target shall thereafter automatically be considered a Research Program Target, the original Target (listed in Exhibit A) shall thereupon cease to be a Research Program Target for all purposes under this Agreement, and the Parties shall adopt a Work Plan for such new Research Program Target in accordance with Section 2.3.1 hereof.

2.1.4. **Excluded Target Verification.** Subject to the other terms of this Section, at the request of the Party submitting a Proposed Target Notice (which request may not be given more than [***] after the Proposed Target has been identified by the other Party as a CytomX Excluded Target or an ImmunoGen Excluded Target, as applicable), at any time during normal business hours within [***] of such other Party's delivery to the requesting Party of written acknowledgement of such other Party's receipt of such request, such other Party shall permit an independent law firm [***] to inspect (during regular business hours) the relevant records upon which the other Party based its determination that the Proposed Target was a CytomX Excluded Target or an ImmunoGen Excluded Target, as applicable, at the time of the other Party's receipt of the Proposed Target Notice; provided that such other Party shall have sole discretion in determining which records will be made available to such law firm. Before permitting such law firm to have access to such records, the other Party may require such law firm to enter into a confidentiality agreement (in form and substance reasonably acceptable to both Parties) as to any confidential information that is to be provided to such law firm while conducting the verification contemplated hereby. The law firm shall be instructed to provide both Parties with a written report stating its conclusion as to whether the other Party's determination that a Proposed Target was a CytomX Excluded Target or an ImmunoGen Excluded Target, as applicable, was correct within [***] after the completion of its inspection. Such law firm may not reveal to the requesting Party any other information learned in the course of such examination, including, without limitation, the basis for the other Party's determination. The requesting Party agrees to treat all information disclosed to it in accordance with this Section as the other Party's Confidential Information, except to the extent necessary for the requesting Party to enforce its rights under this Agreement. If the law firm's report concludes that the other Party's determination was correct, the requesting Party shall be responsible for paying all fees and expenses invoiced by the law firm. If the law firm's report concludes

that the other Party's determination was incorrect, (a) the requesting Party shall automatically be deemed to have delivered to the other Party another Proposed Target Notice for such Target as of the date of such determination, (b) the other Party shall be responsible for paying all reasonable fees and expenses invoiced by the law firm, and (c) if the date of such determination occurs after the Replacement Target Cut-Off Date set forth in Section 2.1.2 hereof, the Replacement Target Cut-Off Date shall be extended, with respect to such Proposed Target only, to the date of such determination. If the law firm's report concludes that, based on the records provided to it by the other Party, it is unable to determine whether the other Party's determination was correct or incorrect, such determination shall be deemed to be a Dispute, which shall be resolved in accordance with Section 10.9 hereof.

2.1.5. **Exclusivity of Research Program Targets**. During the Research Term, for each ImmunoGen Research Program Target, CytomX will not, and will cause its Affiliates not to[***] PDC [***] PDC [***]. During the Research Term, ImmunoGen will not, and will cause its Affiliates not to[***] ADC [***] ADC [***]. The foregoing shall not restrict either Party's or their respective Affiliates'right to [***].

2.2. **Scope and Conduct of the Research Program.** Under the terms and conditions set forth herein, CytomX and ImmunoGen shall collaborate to conduct discovery and certain pre-clinical development activities to generate and validate Agreement Probodies and generate Agreement PDCs to the Research Program Targets (the "**Research Program**"). The Research Program shall be conducted in accordance with the Work Plan for each Research Program Target (as more fully provided in Section 2.3 hereof), and each Party shall use its Commercially Reasonable Efforts to perform all activities assigned to it and fulfill all of its obligations under each Work Plan. In addition, each Party shall conduct its activities under the Work Plan(s) in accordance with Applicable Law.

2.3. **Work Plans**.

2.3.1. **Adoption of Work Plans**. The Parties shall adopt a work plan (each a "**Work Plan**") for each Research Program Target. Each Work Plan shall be approved by the JRC within [***] days of the Effective Date for the initial CytomX Research Program Target and the first initial ImmunoGen Research Program Target listed on Exhibit A hereof or as determined by the JRC with respect to the second initial ImmunoGen Research Program Target. Each Work Plan will be in the form of the sample Work Plan attached hereto as Exhibit E. For a Replacement Target that becomes a Research Program Target, a Work Plan shall be approved by the JRC within [***] days of the date on which such Replacement Target becomes a Research Program Target. Each Work Plan shall reference this Agreement and shall be subject to all of the provisions of this

Agreement, in addition to the specific details set forth in such Work Plan. To the extent any provisions of a Work Plan conflict or are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control. If the Parties are unable to agree on a Work Plan within the specified time period, the JRC may specify the Work Plan, and all Disputes regarding the preparation or modification of any Work Plan (including the approval of any Work Plan Change) shall be resolved in accordance with Section 10.9 hereof.

2.3.2. **Responsibilities**. Each Work Plan shall set forth the services and the obligations and responsibilities assigned to each Party (collectively the "**Work Plan Activities**"), and shall include the following minimum terms:

(a) Each Party shall provide Antibodies Targeting the applicable Research Program Target at its own expense, which CytomX will use to generate a panel of Probodies that Target such Research Program Target. The amount of material to be provided by each Party will be specified in the applicable Work Plan. CytomX will provide the construction, expression and purification of all Agreement Probodies at its expense. [***].

(b) CytomX will investigate and validate each Agreement Probody in accordance with the applicable Work Plan.

(c) ImmunoGen will conjugate the Agreement Probodies to Linkers and Cytotoxic Compounds using the ImmunoGen Technology to generate a panel of Agreement PDCs in accordance with the applicable Work Plan. [***] PDCs [***] ADCs [***].

(d) Each Party will perform *in vivo* modeling and IND-enabling studies with respect to its own Agreement PDCs in accordance with the applicable Work Plan.

(e) Each Party that enters into a License Agreement covering that Party's Agreement PDC(s) will develop and commercialize its Agreement PDC(s) as set forth in the applicable License Agreement.

(f) If, after completion of the ImmunoGen Activities under the Work Plan relating to the CytomX Agreement PDCs, CytomX requests that ImmunoGen provide additional services with respect to (i) process development, (ii) analytical method development, or (iii) manufacturing and/or supply of the CytomX Agreement PDCs for any GLP toxicology studies, then the Parties shall negotiate in good faith the terms of separate written agreements with respect to such activities.

2.3.3. **Changes in Work Plans**. Proposed changes to a Work Plan ("**Work Plan Changes**") shall be subject to review and approval by the JRC. Each Work Plan

Change shall then be written up in documentation setting forth the agreed changes to the applicable task, protocol, specifications, responsibility, timeline or other matter. As used in this Agreement, a Work Plan will be deemed to include any Work Plan Changes with respect thereto.

2.4. **Governance of the Research Program**.

2.4.1. **Formation of the Joint Research Committee**. CytomX and ImmunoGen hereby establish a "**Joint Research Committee**" (or "**JRC**") to oversee and coordinate the activities of the Parties under this Agreement in regard to the Research Program. The JRC shall also serve as a forum to facilitate communications between the Parties regarding the Research Program. The JRC shall be comprised of three (3) representatives from each Party as appointed by such Party, with such representatives possessing appropriate expertise and seniority to carry out the Research Program. The initial members of the JRC for each Party are set forth in Exhibit F attached hereto. The JRC may change its size from time to time by mutual consent of its members. A Party may replace one or more of its representatives from time to time upon written notice to the other Party. The JRC shall exist until expiration or earlier termination of the Term, unless the Parties otherwise agree in writing.

2.4.2. **Co-Chairpersons and Secretary of the Joint Research Committee**. Each Party shall designate a co-chairperson of the JRC, and a secretary of the JRC shall be designated by agreement of the members of the JRC. A Party may change the designation of its co-chairperson from time to time upon written notice to the other Party. The co-chairpersons or their designees shall be responsible for scheduling meetings of the JRC, preparing agendas for meetings and sending to all JRC members notices of all regular meetings and agendas for such meetings at least [***] Business Days before such meetings. The co-chairpersons shall solicit input from both Parties regarding matters to be included on the agenda, and any matter either Party desires to have included on the agenda shall be included for discussion. Nothing herein shall be construed to prohibit the JRC from discussing or acting on matters not included on the applicable agenda. The secretary shall (a) record the minutes of the meeting, (b) circulate copies of meeting minutes to the Parties and each JRC member promptly following the meeting for review, comment and approval by the JRC members and (c) finalize approved meeting minutes. The co-chairpersons shall be members of the JRC but the secretary need not be a member of the JRC. The initial co-chairpersons are listed in Exhibit F hereof.

2.4.3. **Meetings**. The JRC shall meet at least three (3) times each Calendar Year (unless the Parties mutually agree in advance of any scheduled meeting that there is no need for such meeting, in which case the next JRC meeting shall also be

scheduled as agreed upon by the Parties) until it has been terminated in accordance with Section 2.4.1 hereof at dates and times mutually agreed by the JRC. The initial meeting of the JRC shall be held within [***] days after the Effective Date. Either Party may call a special meeting of the JRC on [***] days written notice to the other Party's members of the JRC (or upon such shorter notice as exigent circumstances may require). Such written notice shall include an agenda for the special meeting. In-person meetings, including special meetings, of the JRC shall alternate between the offices of the Parties, unless otherwise agreed upon by the members of the JRC. Meetings of the JRC may be held telephonically or by video conference; provided, however, that at least [***] meetings per year shall be held in-person. Meetings of the JRC shall be effective only if at least one (1) representative of each Party is in attendance or participating in the meeting. Members of the JRC shall have the right to participate in and vote at meetings held by telephone or video conference. In addition, the JRC may act on any matter or issue without a meeting if it is documented in a written consent signed by each member of the JRC.

2.4.4. **Responsibilities of the Joint Research Committee**. The JRC shall be responsible for (a) planning and overseeing research under this Agreement, including establishing, reviewing and recommending modifications and updates to the Work Plans; (b) receiving and reviewing relevant data and other information obtained by either Party in connection with the Research Program and monitoring and reporting to the Parties on activities conducted pursuant to the Work Plans; (c) resolving Disputes between the Parties; and (d) such other functions as expressly specified hereunder or as agreed by the Parties.

2.4.5. **Decisions by** [***]. All decisions of the JRC shall be made by [***]. If the JRC cannot or does not reach [***] on a matter within the purview of the JRC, then such Dispute shall be resolved in accordance with Section 10.9 hereof.

2.5. **Alliance Managers**. In addition to the foregoing governance provisions, each of the Parties shall appoint a single individual to serve as that Party's alliance manager ("**Alliance Manager**"). The role of each Alliance Manager will be to participate and otherwise facilitate the relationship between the Parties as established by this Agreement. A Party may replace its Alliance Manager from time to time upon written notice to the other Party.

2.6. **Conformance with Law**. Each Party shall perform and discharge its obligations under this Agreement and the Research Program in conformance with (a) professional standards and practices, (b) this Agreement and the Work Plan(s) and (c) all Applicable Laws. Without limiting the generality of the foregoing, each Party shall retain all records relating to its performance of this Agreement and the Work Plan(s) for the time periods required by Applicable Laws.

2.7. **Personnel Matters**. Each Party acknowledges and agrees that it is solely responsible for the compensation of its personnel assigned to the Work Plan activities, and shall be responsible for withholding all national, state, local or other applicable taxes and similar items for such personnel.

2.8. **Debarment Certification**. Neither Party nor any Person employed or retained to perform services by either Party has been debarred under Section 306(a) or (b) of the FD&C Act or any comparable provision of foreign law and no debarred Person shall in the future be employed or retained to perform services by either Party in connection with any work to be performed for or on behalf of the other Party. If, at any time after execution of this Agreement, either Party becomes aware that such Party or any Person employed or retained to perform services by such Party in connection with any work performed for or on behalf of such Party is, or is in the process of being, debarred, such Party shall so notify the other Party immediately.

2.9. **Records**. Each Party shall prepare, complete and accurate written records, accounts, notes, reports and data of the Work Plan activities and its performance under this Agreement and the Work Plan(s), in a form and of quality reasonably acceptable to both Parties.

2.10. **Transfer and Use of Proprietary Materials**.

2.10.1. **Transfer**. From time to time, pursuant to a Work Plan, or otherwise, ImmunoGen may provide CytomX with ImmunoGen Proprietary Materials and Agreement PDCs and CytomX may provide ImmunoGen with CytomX Proprietary Materials and Agreement Probodies. Each Party's Proprietary Materials, Agreement PDCs and Agreement Probodies are provided by such Party on an "as-is" basis without representation or warranty of any type, express or implied, including any representation or warranty of merchantability, non-infringement, title or fitness for a particular purpose, each of which is hereby disclaimed by such providing Party.

2.10.2. **Use of Proprietary Materials**. Each Party shall use the other Party's Proprietary Materials (including, without limitation, the other Party's Proprietary Materials incorporated into Agreement PDCs and Agreement Probodies) solely in connection with conducting the specific activities under this Agreement for which such other Party's Proprietary Materials are provided to the receiving Party, including, if applicable, the provisions of any specific Work Plan under which such Proprietary Materials are provided, and for no other purpose. Without limiting the generality of the foregoing, except as expressly set forth in this Agreement or in any applicable Work Plan, neither Party shall make or attempt to make analogues, progeny or derivatives of, or modifications to, the other Party's Proprietary Materials, using the other Party's Confidential Information or the

tangible materials provided by the other Party, and each Party shall not use the other Party's Proprietary Materials for the benefit of any Third Party or of its own internal research programs outside of the Research Program or as otherwise licensed to the other Party under a Development and Commercialization License. Each Party shall comply with all Applicable Laws regarding the handling and use of the other Party's Proprietary Materials. Each Party agrees to retain possession over the other Party's Proprietary Materials and not to provide the other Party's Proprietary Materials to any Third Party without the providing Party's prior written consent, except as required to perform the Research Program.

2.10.3. **Unauthorized Use of Confidential Information and Proprietary Materials**. In the event that either Party uses the other Party's Confidential Information or Proprietary Materials (including, without limitation, the other Party's Proprietary Materials incorporated into Agreement PDCs and Agreement Probodies) for any purpose other than the purposes authorized herein (an "**Unauthorized Use**"), the results of such Unauthorized Use, and any discoveries or inventions that arise from such Unauthorized Use, whether patentable or not, shall belong solely and exclusively to the Party providing its Confidential Information or Proprietary Materials. If required in order to perfect or enforce a Party's ownership of such results, discoveries or inventions, each hereby assigns and agrees to assign to the other Party all of its right, title and interest in and to all such results, discoveries or inventions made through the Unauthorized Use with the other Party's Confidential Information or Proprietary Materials. Each Party agrees to cooperate with the other Party, and to execute and deliver any and all documents that the providing Party reasonably deems necessary, to perfect and enforce its rights hereunder.

3. OPTION FOR LICENSE AND COMMERCIAL LICENSE GRANTS.

3.1. **Grants to ImmunoGen**.

3.1.1. **Research License and Option Grants**. Subject to the terms and conditions of this Agreement, CytomX hereby grants to ImmunoGen during the Term (a) a non-exclusive, non-sublicensable (except to Affiliates and Permitted Third Party Service Providers), non-transferable (except as expressly permitted by this Agreement), royalty-free license under the CytomX Licensed Intellectual Property for the sole purpose of conducting the ImmunoGen Work Plan Activities in the Territory, and (b) an exclusive option (each, an "**ImmunoGen Option**") to obtain a Development and Commercialization License with respect to up to two (2) Research Program Targets as set forth in Section 3.1.2. ImmunoGen shall have the right to engage one or more Affiliates or Third Parties (the latter being referred to as "**Permitted Third Party Service Providers**") as subcontractors to perform some or all of the ImmunoGen Activities; provided that (i) ImmunoGen shall [***] and (ii) ImmunoGen shall [***].

3.1.2. **Exercise of each ImmunoGen Option**. On an ImmunoGen Research Program Target-by-ImmunoGen Research Program Target basis, each of the ImmunoGen Options may be separately exercised by ImmunoGen at any time during the Term, but in each case no later than one hundred eighty-two (182) days after the first dosing of any animal in the first IND-enabling GLP toxicology study of the applicable ImmunoGen Agreement PDC (each, the "**ImmunoGen Option Exercise Cut-Off Date**"), by providing CytomX with an Option Exercise Notice (the date of CytomX's receipt of any such Option Exercise Notice, the "**ImmunoGen Option Exercise Date**"). If ImmunoGen does not provide CytomX with an Option Exercise Notice with respect to any Research Program Target during the Term and prior the ImmunoGen Option Exercise Cut-Off Date, then the applicable Target shall no longer be considered an ImmunoGen Research Program Target. Notwithstanding the foregoing, the ImmunoGen Option Exercise Cut-Off Date with respect to each of the first two (2) ImmunoGen Research Program Targets shall be the [***] day after the Replacement Target Cut-Off Date if ImmunoGen has not notified CytomX on or prior to the Replacement Target Cut-Off Date of its intention to replace such ImmunoGen Research Program Target with a Replacement Target in accordance with Sections 2.1.2 and 2.1.3 hereof.

3.1.3. **Development and Commercialization License**. Subject to the terms and conditions of this Agreement, on a Research Program Target-by-Research Program Target basis and effective on the ImmunoGen Option Exercise Date for such Research Program Target, (a) the Licensed Intellectual Property (as defined in the ImmunoGen License Agreement) shall be licensed by CytomX to ImmunoGen with respect to the Research Program Target specified in the Option Exercise Notice (each, an "**ImmunoGen Licensed Target**") on the terms and subject to the conditions set forth in the ImmunoGen License Agreement, and (b) the foregoing Development and Commercialization License shall be effective as of the ImmunoGen Option Exercise Date. CytomX shall deliver to ImmunoGen, within ten (10) Business Days following the ImmunoGen Option Exercise Date, an ImmunoGen License Agreement executed on behalf of CytomX in which CytomX has (i) inserted the name and unique UniProtKB/Swiss Prot accession number of the applicable ImmunoGen Licensed Target in Schedule A of the ImmunoGen License Agreement, and (ii) inserted the ImmunoGen Option Exercise Date as the effective date of the ImmunoGen License Agreement. If either Party fails to deliver an executed copy of the ImmunoGen License Agreement as described above, CytomX shall nevertheless be deemed to have granted ImmunoGen the rights with respect to the ImmunoGen Licensed Target consistent with the ImmunoGen License Agreement.

3.1.4. **Rescission of Exercise of ImmunoGen Option**. Anything contained in this Agreement to the contrary notwithstanding, if, in connection with ImmunoGen's exercise of an ImmunoGen Option, CytomX delivers to ImmunoGen a Disclosure Letter within [***] of CytomX's receipt of the applicable Option Exercise Notice, then ImmunoGen shall be entitled to rescind the exercise of such ImmunoGen Option by delivering to CytomX written notice of such rescission within [***] of ImmunoGen's receipt of the Disclosure Letter. Any failure by CytomX to deliver a Disclosure Letter to ImmunoGen within the applicable [***] period described above shall be deemed a waiver of CytomX's right to qualify its representations and warranties in the applicable ImmunoGen License Agreement by any information CytomX may have intended to include in the Disclosure Letter. If CytomX delivers the Disclosure Letter on a timely basis, then any failure by ImmunoGen to deliver a rescission notice to CytomX within the applicable [***] period described above shall be deemed a waiver of ImmunoGen's right to rescind the exercise of such ImmunoGen Option pursuant to this Section 3.1.4, and CytomX's representations and warranties in the applicable ImmunoGen License Agreement shall be qualified by any information contained in such Disclosure Letter. If an ImmunoGen Option is rescinded pursuant to this Section 3.1.4, then such ImmunoGen Option shall remain outstanding in accordance with its original terms; provided, however, that:

(a) if the Replacement Target Cut-Off Date occurs within the period beginning on the applicable ImmunoGen Option Exercise Date and ending on the [***] after ImmunoGen's delivery of the rescission notice to CytomX, then anything set forth in this Agreement to the contrary notwithstanding, ImmunoGen shall have the right to replace the applicable ImmunoGen Research Program Target with a Replacement Target, subject to the terms and conditions set forth in Sections 2.1.2 and 2.1.3 hereof; and

(b) if the applicable ImmunoGen Option Exercise Cut-Off Date occurs within the period beginning on the applicable ImmunoGen Option Exercise Date and ending on the [***] after ImmunoGen's delivery of the rescission notice to CytomX, then anything set forth in this Agreement to the contrary notwithstanding, ImmunoGen shall have the right to exercise the applicable ImmunoGen Option for the same ImmunoGen Research Program Target or, as contemplated by clause (a) above, a different ImmunoGen Research Program Target, within [***] (or such longer period as may be mutually agreed to in writing by the Parties) after ImmunoGen's delivery of the rescission notice to CytomX.

3.1.5. **License to CytomX TAP Platform Improvements**. CytomX, on behalf of itself and its Affiliates, hereby grants to ImmunoGen a non-exclusive, sublicensable, perpetual, irrevocable, royalty-free worldwide license under

CytomX's interest in any CytomX TAP Platform Improvements, including, without limitation, any Patent Rights claiming such CytomX TAP Platform Improvements, to exploit such CytomX TAP Platform Improvements (a) for any purpose other than developing, manufacturing, using or commercializing PDCs and (b) for any purpose outside of the Field. Except in connection with the performance of the CytomX Activities under the Work Plans related to the ImmunoGen Research Program Targets, nothing in this Agreement shall be construed as obligating CytomX to [***] or any of its Affiliates or any Third Party [***].

3.2. **Grants to CytomX**.

3.2.1. **Research License and Option Grant**. Subject to the terms and conditions of this Agreement, ImmunoGen hereby grants to CytomX during the Term (a) a non-exclusive, non-sublicensable (except to Affiliates and Permitted Third Party Service Providers), non-transferable (except as expressly permitted by this Agreement) royalty-free license under the ImmunoGen Licensed Intellectual Property for the sole purpose of conducting the CytomX Work Plan Activities in the Territory, and (b) an exclusive option (the "**CytomX Option**") to obtain a Development and Commercialization License with respect to one (1) CytomX Research Program Target as set forth in Section 3.3.2. CytomX shall have the right to engage one or more Affiliates or Permitted Third Party Service Providers as subcontractors to perform some or all of the CytomX Activities; provided that (i) CytomX shall [***] and (ii) CytomX shall [***].

3.2.2. **Exercise of the CytomX Option**. The CytomX Option may be exercised by CytomX at any time during the Term, but in no event later than one hundred eighty-two (182) days after the first dosing of any animal in the first IND-enabling GLP toxicology studies of the applicable CytomX Agreement PDC (the "**CytomX Option Exercise Cut-Off Date**"), by providing ImmunoGen with an Option Exercise Notice (the date of ImmunoGen's receipt of the Option Exercise Notice, the "**CytomX Option Exercise Date**"). If CytomX does not provide ImmunoGen with an Option Exercise Notice with respect to its Research Program Target during the Term and prior to the CytomX Option Exercise Cut-Off Date, then the applicable Target shall no longer be considered a CytomX Research Program Target. Notwithstanding the foregoing, the CytomX Option Exercise Cut-Off Date with respect to the CytomX Research Program Target shall be the [***] day after the Replacement Target Cut-Off Date if CytomX has not notified ImmunoGen on or prior to the Replacement Target Cut-Off Date of its intention to replace such CytomX Research Program Target with a Replacement Target in accordance with Sections 2.1.2 and 2.1.3 hereof.

3.2.3. **Development and Commercialization License**. Subject to the terms and conditions of this Agreement, effective on the CytomX Option Exercise Date for its Research Program Target, (a) the Licensed Intellectual Property (as defined in the CytomX License Agreement) shall be licensed by ImmunoGen to CytomX with respect to the Research Program Target specified in the Option Exercise Notice (the "**CytomX Licensed Target**") on the terms and subject to the conditions set forth in the CytomX License Agreement, and (b) the foregoing license shall be effective as of the CytomX Option Exercise Date. ImmunoGen shall deliver to CytomX, within [***] following the CytomX Option Exercise Date, a CytomX License Agreement executed on behalf of ImmunoGen in which ImmunoGen has (i) inserted the name and unique UniProtKB/Swiss Prot accession number of the applicable Licensed Target in Schedule A of the CytomX License Agreement, and (ii) inserted the CytomX Option Exercise Date as the effective date of the CytomX License Agreement. If either Party fails to deliver an executed copy of the CytomX License Agreement as described above, ImmunoGen shall nevertheless be deemed to have granted CytomX the rights with respect to the CytomX Licensed Target consistent with the CytomX License Agreement.

3.2.4. **Rescission of Exercise of CytomX Option**. Anything contained in this Agreement to the contrary notwithstanding, if, in connection with CytomX's exercise of the CytomX Option, ImmunoGen delivers to CytomX a Disclosure Letter within [***] of ImmunoGen's receipt of the applicable Option Exercise Notice, then CytomX shall be entitled to rescind the exercise of the CytomX Option by delivering to ImmunoGen written notice of such rescission within [***] of CytomX's receipt of the Disclosure Letter. Any failure by ImmunoGen to deliver a Disclosure Letter to CytomX within the applicable [***] period described above shall be deemed a waiver of ImmunoGen's right to qualify its representations and warranties in the CytomX License Agreement by any information ImmunoGen may have intended to include in the Disclosure Letter. If ImmunoGen delivers the Disclosure Letter on a timely basis, then any failure by CytomX to deliver a rescission notice to ImmunoGen within the applicable [***] period described above shall be deemed a waiver of CytomX's right to rescind the exercise of the CytomX Option pursuant to this Section 3.2.4, and ImmunoGen's representations and warranties in the CytomX License Agreement shall be qualified by any information contained in such Disclosure Letter. If the CytomX Option is rescinded pursuant to this Section 3.2.4, then the CytomX Option shall remain outstanding in accordance with its original terms; provided, however, that:

(a) if the Replacement Target Cut-Off Date occurs within the period beginning on the CytomX Option Exercise Date and ending on the [***] after CytomX's delivery of the rescission notice to ImmunoGen, then

anything set forth in this Agreement to the contrary notwithstanding, CytomX shall have the right to replace the CytomX Research Program Target with a Replacement Target, subject to the terms and conditions set forth in Sections 2.1.2 and 2.1.3 hereof; and

(b) if the CytomX Option Exercise Cut-Off Date occurs within the period beginning on the CytomX Option Exercise Date and ending on the [***] after CytomX's delivery of the rescission notice to ImmunoGen, then anything set forth in this Agreement to the contrary notwithstanding, CytomX shall have the right to exercise the CytomX Option for the same CytomX Research Program Target or, as contemplated by clause (a) above, a different ImmunoGen Research Program Target, within [***] (or such longer period as may be mutually agreed to in writing by the Parties) after CytomX's delivery of the rescission notice to ImmunoGen.

3.2.5. **License to ImmunoGen Probody Platform Improvements**. ImmunoGen, on behalf of itself and its Affiliates, hereby grants to CytomX a non-exclusive, sublicensable, perpetual, irrevocable, royalty-free worldwide license under ImmunoGen's interest in any ImmunoGen Probody Platform Improvements, including, without limitation, any Patent Rights claiming such ImmunoGen Probody Platform Improvements, to exploit such ImmunoGen Probody Platform Improvements (a) for any purpose other than developing, manufacturing, using or commercializing PDCs having a Payload that is a Cytotoxic Compound[2] and (b) for any purpose outside of the Field. For the avoidance of doubt, the license granted pursuant to this subsection excludes any rights in and to ImmunoGen Background Technology or any ImmunoGen Program Technology other than the ImmunoGen Probody Platform Improvements. Except in connection with the performance of the ImmunoGen Activities under the Work Plan(s) related to the CytomX Research Program Target(s), nothing in this Agreement shall be construed as obligating ImmunoGen to [***] or any of its Affiliates or any Third Party [***].

3.3. **Section 365(n) of Bankruptcy Code**. All rights and licenses now or hereinafter granted by either Party to the other Party under or pursuant to any section of this Agreement, including the licensed granted in this Article 3, are rights to "intellectual property" (as defined in Section 101(35A) of Title 11 of the United States Code, as amended (such Title 11, the "**Bankruptcy Code**")).

3.4. **No Implied Rights**. Except as expressly provided in this Agreement, neither Party shall be deemed, by estoppel, implication or otherwise, to have granted the other Party any license or other right with respect to any intellectual property owned or Controlled by such Party.

2 [***] "Cytotoxic Compound" [***]

4. EXPENSES.

4.1. **Expenses**. Except as expressly stated herein or in a Work Plan, each Party hereto shall be responsible for its own costs for all activities conducted pursuant to this Agreement.

5. INTELLECTUAL PROPERTY.

5.1. **Inventions**.

5.1.1. **Ownership**. All determinations of inventorship under this Agreement shall be made in accordance with the laws of the United States. Determinations of ownership of intellectual property hereunder will be made in accordance with inventorship.

(a) **ImmunoGen Solely Owned Technology**. As between the Parties, ImmunoGen shall be the sole owner of all ImmunoGen Licensed Intellectual Property (other than Joint Program Technology included therein and any Joint Patent Rights).

(b) **CytomX Solely Owned Technology**. As between the Parties, CytomX shall be the sole owner of all CytomX Licensed Intellectual Property (other than Joint Program Technology included therein and any Joint Patent Rights).

(c) **Jointly Owned Technology**. All Joint Program Technology (including, without limitation, all Joint Patent Rights) shall be jointly owned by the Parties, with each Party holding an undivided one-half interest therein. Subject to the Parties' other rights and obligations under this Agreement and any then-outstanding License Agreement(s), each Party shall be [***]. ImmunoGen's one-half interest in Joint Program Technology and Joint Patent Rights shall be included in the Licensed Intellectual Property (as defined in the CytomX License Agreement) under the CytomX License Agreement to the extent it otherwise comes within such definition. CytomX's one-half interest in Joint Program Technology and Joint Patent Rights shall be included in the Licensed Intellectual Property (as defined in each ImmunoGen License Agreement) under each ImmunoGen License Agreement to the extent it otherwise comes within such definition. Nothing in this Section 5.1.1(c) shall be construed to grant (i) CytomX any rights in and to ImmunoGen Background Technology or any ImmunoGen Program Technology in connection with its exploitation of Joint Program Technology and Joint Patent Rights outside the scope of the Research Program hereunder or the development, manufacture and commercialization of Licensed Products under a Development and

Commercialization License, or (ii) ImmunoGen any rights in and to CytomX Background Technology and CytomX Program Technology in connection with its exploitation of Joint Program Technology and Joint Patent Rights outside the scope of the Research Program hereunder or the development, manufacture and commercialization of Licensed Products under a Development and Commercialization License.

5.1.2. **Disclosure**. CytomX shall, no less than [***] before filing any initial Patent Right disclosing CytomX TAP Platform Improvements or any Joint Program Technology or any other Patent Right that contains ImmunoGen's Confidential Information, provide a copy of such disclosure to ImmunoGen. ImmunoGen shall, no less than [***] before filing any initial Patent Right disclosing ImmunoGen Probody Platform Improvements or Joint Program Technology or any other Patent Right that contains CytomX's Confidential Information, provide a copy of such disclosure to CytomX. In each case, such disclosures to the other Party shall include all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates', employees, agents or independent contractors describing such invention and the proposed inventorship of any new Patent Rights intended to be filed. The other Party shall promptly raise any issue regarding inventorship of any such Patent Rights, and the Parties agree to use their best efforts to determine in good faith the correct inventorship of any Patent Rights in accordance with Section 10.10.1 hereof.

5.2. **Filing, Prosecution and Maintenance of Patent Rights**.

5.2.1. **Cooperation**. Without limiting any other rights and obligations of the Parties under this Agreement, the Parties shall cooperate with respect to the timing, scope and filing of patent applications and patent claims relating to any Joint Program Technology to preserve and enhance the patent protection for Agreement PDCs, including the manufacture and use thereof and to allow the Party owning the technology underlying an Improvement to have reasonable input to preserve and enhance its patent portfolio and patenting strategy.

5.2.2. **ImmunoGen Patent Rights**. ImmunoGen, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, all ImmunoGen Patent Rights. With respect to any ImmunoGen Patent Rights disclosing or claiming Program Technology (other than TAP Platform Improvements included in the Program Technology), ImmunoGen shall keep CytomX reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights and shall consider in good faith any recommendations made by CytomX in regard to the filing, prosecution or maintenance of any such Patent Right. ImmunoGen shall consult with CytomX in the filing, prosecution and maintenance of any ImmunoGen Patent Right related to ImmunoGen Probody Platform Improvements and shall not

unreasonably refuse to incorporate any recommendations made by CytomX in regard to such filing, prosecution or maintenance. Communications regarding the filing, prosecution and maintenance of any ImmunoGen Patent Rights related to ImmunoGen Probody Platform Improvements will be made through the Patent Committee established as set forth in Section 5.2.4 hereof. To the extent ImmunoGen decides not to file, prosecute or maintain any ImmunoGen Patent Right that ImmunoGen reasonably believes covers or may cover the development, manufacture, commercialization or use of any CytomX Licensed Product (other than any such Patent Right owned or co-owned by a Third Party licensor or the filing of a new initial patent application or any ImmunoGen Patent Rights related to Conjugation Probody Platform Improvements) and except in the case in which the decision not to file, prosecute or maintain such Patent Right is made by ImmunoGen in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the ImmunoGen Technology, ImmunoGen shall provide CytomX with [***] prior written notice to such effect (*i.e.*, at least [***] prior to the date on which any such filing is intended or due or on which any other such action is due), in which event CytomX may elect to file or continue prosecution or maintenance of such Patent Right, at CytomX's expense, and ImmunoGen, upon CytomX's written request received within such [***] period, shall execute such documents and perform such acts, at CytomX's expense, as may be reasonably necessary to permit CytomX to file, prosecute and maintain such Patent Right; provided that CytomX (a) shall keep ImmunoGen reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights, (b) shall consider in good faith any recommendations made by ImmunoGen in regard to such filing, prosecution and maintenance of such Patent Right, and (c) shall not unreasonably refuse to incorporate any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance. Any such Patent Right that is prosecuted or maintained by CytomX pursuant to this Section 5.2.2 (i) will continue to be owned by ImmunoGen, and (ii) subject to the Parties' other rights and obligations under this Agreement or any then-outstanding License Agreement, may be licensed by ImmunoGen to one or more Third Parties. For avoidance of doubt, "prosecution" as used in this Section 5.2 includes oppositions, nullity or revocation actions, post-grant reviews and other patent office proceedings involving the referenced Patent Rights. Nothing contained in this Agreement shall be construed as obligating ImmunoGen to file any patent application in any country or other jurisdiction relating to ImmunoGen Probody Platform Improvements.

5.2.3. **CytomX Patent Rights**. CytomX, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, all CytomX Patent Rights. With respect to any CytomX Patent Rights disclosing or claiming Program Technology (other than Unconjugated Probody

Platform Improvements included in the Program Technology), CytomX shall keep ImmunoGen reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights and shall consider in good faith any recommendations made by ImmunoGen in regard to the filing, prosecution or maintenance of any such Patent Right. CytomX shall consult with ImmunoGen in the filing, prosecution and maintenance of any CytomX Patent Right related to CytomX TAP Platform Improvements and shall not unreasonably refuse to incorporate any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance. Communications regarding the filing, prosecution and maintenance of any CytomX Patent Rights that are Improvements to ImmunoGen Technology will be made through the Patent Committee established as set forth in Section 5.2.4 hereof. To the extent CytomX decides not to file, prosecute or maintain any CytomX Patent Right that CytomX reasonably believes covers or may cover the development, manufacture, commercialization or use of any ImmunoGen Licensed Product (other than any such Patent Right owned or co-owned by a Third Party licensor or the filing of a new initial patent application or any CytomX Patent Right related to CytomX TAP Platform Improvements) and except in the case in which the decision not to file, prosecute or maintain such Patent Right is made by CytomX in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the CytomX Technology, CytomX shall provide ImmunoGen with [***] prior written notice to such effect (*i.e.*, at least [***] prior to the date on which any such filing is intended or due or on which any other such action is due), in which event ImmunoGen may elect to continue prosecution or maintenance of such Patent Right, at ImmunoGen's sole expense, and CytomX, upon ImmunoGen's written request, shall execute such documents and perform such acts, at ImmunoGen's expense, as may be reasonably necessary to permit ImmunoGen to file, prosecute and maintain, at its own discretion, such Patent Right; provided that ImmunoGen (a) shall keep CytomX reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights, (b) shall consider in good faith any recommendations made by CytomX in regard to such filing, prosecution and maintenance of such Patent Right, and (c) shall not unreasonably refuse to incorporate any recommendations made by CytomX in regard to such filing, prosecution or maintenance. Any such Patent Right that is prosecuted or maintained by ImmunoGen pursuant to this Section 5.2.3 (a) will continue to be owned by CytomX, and (b) subject to the Parties' other rights and obligations under this Agreement or any then-outstanding License Agreement, may be licensed by CytomX to one or more Third Parties. Nothing contained in this Agreement shall be construed as obligating CytomX to file any patent application in any country or other jurisdiction relating to CytomX TAP Platform Improvements.

5.2.4. **Joint Patent Rights**. Prior to either Party filing any Patent Right disclosing Joint Program Technology, disclosing an Improvement made by ImmunoGen to CytomX Technology or disclosing an Improvement made by CytomX to the ImmunoGen Technology, the Parties shall establish a patent committee (the "**Patent Committee**") comprised of at least one (1) representative of each Party for the purpose of facilitating communication as described in Sections 5.2.2 and 5.2.3 hereof and the preparation, filing, prosecution, maintenance and defense of Joint Patent Rights. As agreed upon by the Parties, meetings of the Patent Committee may be face-to-face or may be conducted by teleconferences or videoconferences, from time to time as needed. The Patent Committee will be the forum through which the Parties coordinate their respective obligations to each other described in Sections 5.2.2 and 5.2.3 hereof and in this Section. In the event the Parties conceive or generate any Joint Program Technology, the Parties shall promptly meet to discuss and determine, based on mutual consent, whether to seek patent protection thereon, which Party will control filing, prosecution and maintenance of such patents and how to pay for the filing, prosecution and maintenance of such patents. [***] PDCs [***] PDCs [***] The Party controlling filing and prosecution of any such Joint Patent Right (a) shall keep the other Party informed regarding each Patent Right, (b) shall consider in good faith any recommendations made by the other Party in regard to the filing, prosecution or maintenance of any such Patent Right and (c) shall not unreasonably refuse to incorporate any recommendations made by the other Party in regard to such filing, prosecution or maintenance.

5.2.5. **Restrictions on Disclosures in Patent Applications**. Anything contained in this Agreement to the contrary notwithstanding, unless and until the Parties enter into a License Agreement with respect to a Research Program Target, neither Party may, without the prior written consent of the other Party, which consent may be withheld by such other Party in its sole discretion, (a) identify or describe Agreement Probodies or Agreement PDCs in any patent application, or (b) disclose any data generated under a Work Plan in support of any Patent Rights that disclose or claim Probodies or PDCs Targeting such Research Program Target; provided, that the foregoing shall not apply to any CytomX Patent Rights covering Agreement Probodies Targeting the CytomX Research Program Target.

5.2.6. **Improper Patent Filings**. Each Party agrees that, without the prior written consent of the other Party, neither it nor any of its Affiliates will [***].

5.2.7. **Liability**. Except for breaches of Section 5.2.5 or 5.2.6 hereof, to the extent that a Party is obtaining, prosecuting or maintaining a Patent Right included in the CytomX Licensed Intellectual Property, the ImmunoGen Licensed Intellectual Property or Joint Patent Rights or otherwise exercising its rights under this Section 5.2, such Party, and its Affiliates, employees, agents or

representatives, shall not be liable to the other Party in respect of any act or omission on the part of any such Party, or its Affiliates, employees, agents or representatives, in connection with such activities undertaken in good faith.

5.2.8. **Extensions**. The decision to file for a patent term extension and particulars thereof (including which patent(s) to extend) will be made with the goal of obtaining the optimal patent term and scope of protection for Licensed Products. If a Party wishes to file for a patent term extension based on Patent Rights owned by the other Party, it will so notify the other Party, and the Parties will meet to discuss and determine whether and how to proceed with such patent term extension.

5.3. **Joint Research Agreement**. This Agreement shall be understood to be a joint research agreement under 35 U.S.C. § 103(c)(3) entered into for the purpose of researching and identifying Agreement PDCs.

6. CONFIDENTIALITY

6.1. **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Parties agree that, during the Term and for [***] thereafter, each Party, in its capacity as the Receiving Party shall: (a) keep the Disclosing Party's Confidential Information confidential; (b) not disclose, or permit the disclosure of, the Disclosing Party's Confidential Information; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, in each case, except for the performance of its obligations or exercise of its rights under this Agreement, provided, however, that the foregoing obligations shall not apply, or shall cease to apply, to the extent that such Confidential Information (i) was already known by the Receiving Party or its Affiliates (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by the Disclosing Party; (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party or its Affiliates or any of their respective Representatives in breach of its obligations under this Agreement; (iv) was disclosed to the Receiving Party or its Affiliates, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party; or (v) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information of the Disclosing Party.

6.2. **Authorized Disclosure**.

6.2.1. **Disclosure to Party Representatives**. Notwithstanding the foregoing provisions of Section 6.1 hereof, the Receiving Party may disclose Confidential

Information belonging to the Disclosing Party to the Receiving Party's Representatives who (a) have a need to know such Confidential Information in connection with the performance of the Receiving Party's obligations or the exercise of the Receiving Party's rights under this Agreement and (b) have agreed in writing to non-disclosure and non-use provisions with respect to such Confidential Information that are at least as restrictive as those set forth in this Article 6.

6.2.2. **Disclosure to Third Parties**.

(a) Notwithstanding the foregoing provisions of Section 6.1 hereof, the Parties may disclose Confidential Information belonging to the other Party:

(i) subject to Section 5.2 hereof, to the extent reasonably necessary, in connection with filing or prosecuting Patent Rights as permitted by this Agreement;

(ii) to the extent reasonably necessary, in connection with prosecuting or defending litigation as permitted by this Agreement;

(iii) (A) regarding the existence of this Agreement, this Agreement itself or the material and financial terms of this Agreement, to its accountants, lawyers, and other advisers, and to actual or potential investors, lenders, licensors, licensees, acquirers, investment bankers, or agents of the foregoing in connection with a financing, licensing transaction, merger, or acquisition, and (B) to any other third parties in connection with the events in (A) with the consent of the disclosing Party, such consent not to be unreasonably withheld, in each case (A)-(B) under confidentiality obligations no less restrictive than those set forth in this Agreement;

(iv) subject to Section 6.3.2 hereof, in connection with or included in scientific presentations and publications relating to Licensed Products, including abstracts, posters, journal articles and the like, and posting results of and other information about clinical trials to clinicaltrials.gov or PhRMA websites; and

(v) to the extent necessary in order to enforce its rights under this Agreement.

(b) Subject to the restrictions in Section 5.2.5 hereof, data generated by a Party using that Party's own Agreement PDC(s) shall not be considered Confidential Information of the other Party, and, therefore, not subject to this Article 6.

6.2.3. **SEC Filings and Other Disclosures**. Notwithstanding any provision of this Agreement to the contrary, either Party may disclose the existence or terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with Applicable Law. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 6.2.3, the Parties will consult with one another on the terms of this Agreement to be redacted in making any such disclosure. Further, if a Party discloses this Agreement or any of the terms hereof in accordance with this Section 6.2.3, such Party shall, at its own expense, use Commercially Reasonable Efforts to seek such confidential treatment of confidential portions of this Agreement and such other terms, as may be reasonably requested by the other Party.

6.3. **Public Announcements; Publications**.

6.3.1. **Announcements**. Except as may be expressly permitted under Section 6.2.3, neither Party will make any public announcement regarding the existence or terms of this Agreement without the prior written approval of the other Party. For the sake of clarity, nothing in this Agreement shall prevent either Party from making any public disclosure relating to this Agreement if the contents of such public disclosure have previously been made public other than through a breach of this Agreement by the issuing Party or its Affiliates. The Parties agree that they will issue a joint press release, substantially in the form attached as Exhibit B attached hereto, regarding the signing of this Agreement following the Effective Date. The Parties agree that each Party may issue future announcements concerning the other Party's achievement of any significant milestones, including the selection of a clinical candidate, under this Agreement, provided that the content of any such announcement has been mutually agreed upon by the Parties but a Party will not unreasonably withhold its agreement to such an announcement.

6.3.2. **Publications**. The Parties acknowledge that scientific publications and presentations must be strictly monitored to prevent any adverse effect from premature publication or dissemination of results of the activities hereunder. Each Party (in such capacity the "**Publishing Party**") agrees that, except as required by Applicable Laws, it shall not publish or present, or permit to be published or presented, any results of the Research Program to the extent such results refer to, derive from or otherwise relate to (a) in cases where CytomX is the Publishing Party, the ImmunoGen Technology, (b) in cases where ImmunoGen is the Publishing Party, the CytomX Technology, and (c) in cases where either Party is the Publishing Party, the Joint Program Technology, the Agreement PDCs or the ImmunoGen Probodies (the "**Covered Results**"), without the prior review by and approval of the other Party (in such capacity, the "**Non-**

Disclosing Party"), which approval shall not be unreasonably withheld; provided that (i) it shall not be deemed unreasonable for CytomX to withhold its consent to any request by ImmunoGen to publish or disseminate Covered Results relating to CytomX Agreement PDCs prior to the publication or dissemination of such Covered Results by CytomX, and (ii) it shall not be deemed unreasonable for ImmunoGen to withhold its consent to any request by CytomX to publish or disseminate Covered Results relating to ImmunoGen Probodies and ImmunoGen Agreement PDCs prior to the publication or dissemination of such Covered Results by ImmunoGen. The Publishing Party shall submit to the Non-Disclosing Party for review and approval any proposed academic, scientific and medical publication or public presentation which contains Covered Results or otherwise contains the Non-Disclosing Party's Confidential Information. In both instances, such review and approval will be conducted for the purposes of preserving the value of the CytomX Technology and ImmunoGen Technology and determining whether any portion of the proposed publication or presentation containing the Non-Disclosing Party's Confidential Information should be modified or deleted. Written copies of such proposed publication or presentation required to be submitted hereunder shall be submitted to the Non-Disclosing Party no later than [***] before submission for publication or presentation (the "**Review Period**"). The Non-Disclosing Party shall provide its comments with respect to such publications and presentations within [***] after its receipt of such written copy, and the Publishing Party shall delete any Confidential Information of the Non-Disclosing Party upon request. The Review Period may be extended for an additional [***] in the event the Non-Disclosing Party can, within [***] of receipt of the written copy, demonstrate reasonable need for such extension, including for the preparation and filing of patent applications. The Parties will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication governed by this Section 6.3.2.

6.3.3. **Integration**. As to the subject matter of this Agreement, this Article 6 supersedes any confidential disclosure agreements between the Parties, including, without limitation, the Confidentiality Agreement. Any confidential information of a Party disclosed under the Confidentiality Agreement relating to the subject matter of this Agreement shall be treated as Confidential Information of such Party hereunder, subject to the terms of this Article 6.

7. REPRESENTATIONS AND WARRANTIES.

7.1. **Mutual Representations and Warranties**. Each of CytomX and ImmunoGen hereby represents and warrants to the other that:

7.1.1. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

7.1.2. the execution, delivery and performance of this Agreement by such Party has been duly authorized by all requisite action under the provisions of its charter, bylaws and other organizational documents, and does not require any action or approval by any of its shareholders or other holders of its voting securities or voting interests;

7.1.3. it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

7.1.4. this Agreement has been duly executed and is a legal, valid and Binding Obligation on it, enforceable against it in accordance with its terms; and

7.1.5. the execution, delivery and performance by such Party of this Agreement and its compliance with the terms and provisions hereof does not and will not conflict with or result in a breach of or default under any Binding Obligation existing as of the Effective Date.

7.2. **Representations and Warranties of CytomX**. CytomX hereby represents and warrants to ImmunoGen that as of the Effective Date:

7.2.1. to its Knowledge: (a) the issued and unexpired patents within the CytomX Licensed Intellectual Property are valid and enforceable patents and (b) CytomX has received no written notice from a Third Party challenging or threatening to challenge the extent, validity or enforceability of any CytomX Patent Rights within the CytomX Licensed Intellectual Property;

7.2.2. to its Knowledge, CytomX has received no written notice from a Third Party claiming that the use, practice or application by CytomX or ImmunoGen of any CytomX Licensed Intellectual Property pursuant to the license granted hereunder will infringe any valid claim of an issued and unexpired patent of any such Third Party (excluding, for clarity, any potential infringement that might arise solely as a result of the combination of any CytomX Licensed Intellectual Property with any other technology or intellectual property); and

7.2.3. there is no (a) claim, demand, suit, proceeding, arbitration, inquiry, investigation or other legal action of any nature, civil, criminal, regulatory or otherwise, pending or, to the Knowledge of CytomX, threatened against CytomX or any of its Affiliates or (b) judgment or settlement against or owed by CytomX or any of its Affiliates, in each case in connection with the CytomX Licensed Intellectual Property or relating to the transactions contemplated by this Agreement.

For purposes of this Section 7.2, "**Knowledge**" means the actual knowledge (without having conducted, or having any duty to conduct, any specific inquiry) of its Chief Executive Officer, President, any Vice President or other officer who is in charge of a principal business unit or function or who performs a policy-making function, and its Senior Director, Head of Intellectual Property (or person with similar responsibilities).

7.3. **Representations and Warranties of ImmunoGen**. ImmunoGen hereby represents and warrants to CytomX that as of the Effective Date:

7.3.1. to its Knowledge: (a) the issued and unexpired patents within the ImmunoGen Licensed Intellectual Property are valid and enforceable patents and (b) ImmunoGen has received no written notice from a Third Party challenging or threatening to challenge the extent, validity or enforceability of any ImmunoGen Patent Rights within the ImmunoGen Licensed Intellectual Property;

7.3.2. to its Knowledge, ImmunoGen has received no written notice from a Third Party claiming that the use, practice or application by CytomX or ImmunoGen of any ImmunoGen Licensed Intellectual Property pursuant to the license granted hereunder will infringe any valid claim of an issued and unexpired patent of any Third Party (excluding, for clarity, any potential infringement that might arise solely as a result of the combination of any ImmunoGen Licensed Intellectual Property with any other technology or intellectual property); and

7.3.3. there is no (a) claim, demand, suit, proceeding, arbitration, inquiry, investigation or other legal action of any nature, civil, criminal, regulatory or otherwise, pending or, to its Knowledge, threatened against ImmunoGen or any of its Affiliates or (b) judgment or settlement against or owed by ImmunoGen or any of its Affiliates, in each case in connection with the ImmunoGen Licensed Intellectual Property or relating to the transactions contemplated by this Agreement.

For purposes of this Section 7.3, "**Knowledge**" means the actual knowledge (without having conducted, or having any duty to conduct, any specific inquiry) of the following ImmunoGen employees: (i) any "executive officer" (as defined in Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended) [***].

7.4. **Government Approvals**. Each of CytomX and ImmunoGen shall cooperate with the other Party and use Commercially Reasonable Efforts to make all registrations, filings and applications, to give all notices and to obtain as soon as practicable all governmental or other consents, transfers, approvals, orders, qualifications authorizations, permits and waivers, if any, and to do all other things necessary or desirable for the consummation of the transactions as contemplated hereby.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

7.5. **Further Covenants**. In addition to the covenants made elsewhere in this Agreement, each Party hereby covenants to the other Party that, from the Effective Date until expiration or termination of this Agreement, it will not (a) knowingly take any action that conflicts with the rights under the Licensed Intellectual Property granted to the other Party under this Agreement or (b) knowingly fail to take any action that is reasonably necessary to avoid a conflict with the rights under the Licensed Intellectual Property granted to the other Party under this Agreement.

7.6. **Representation by Legal Counsel**. Each Party hereto represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption shall exist or be implied against the Party which drafted such terms and provisions.

7.7. **Warranty Disclaimers**.

7.7.1. Except as expressly set forth in Section 7.2 or 7.3 hereof, nothing in this Agreement is or shall be construed as a warranty or representation by either Party (a) as to the validity or scope of any patent application or patent within such Party's Patent Rights or (b) that anything made, used, sold or otherwise disposed of under any license granted under this Agreement is or will be free from infringement of patents, copyrights and other rights of Third Parties.

7.7.2. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

8. TERM AND TERMINATION.

8.1. **Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall extend until the fourth (4th) anniversary of the Effective Date, unless this Agreement is terminated earlier in accordance with this Article 8. Notwithstanding the foregoing, this Agreement shall terminate as to each Research Program Target upon the exercise of the Option with respect to such Research Program Target.

8.2. **Termination by Either Party for Cause**. Either Party may terminate this Agreement in its entirety at any time during the Term by giving written notice to the other Party if the other Party commits a material breach of its obligations under this

Agreement (a "**Material Breach**"), such notice to describe such Material Breach in reasonable detail, and such Material Breach remains uncured for [***] days, measured from the date written notice of such breach is given to the breaching Party; provided, however, that if the nature of the asserted breach is such that more than [***] days are reasonably required to cure, then the cure period shall be extended for a period not to exceed an additional [***] days so long as the Party seeking to cure the asserted breach is diligently pursuing such cure to completion. Notwithstanding the foregoing, a Party shall have the right to terminate this Agreement pursuant to this Section 8.2 only if such Material Breach fundamentally frustrates the objectives of or transactions contemplated by this Agreement taken as a whole or a Work Plan relating to the non-breaching Party's Research Program Target(s).

8.3. **Termination on Insolvency**. This Agreement may be terminated upon written notice by either Party at any time in the event of an Insolvency Event of the other Party.

8.4. **Effects of Expiration or Termination**.

8.4.1. **Effect of Termination by ImmunoGen**. If ImmunoGen terminates this Agreement pursuant to Section 8.2 or Section 8.3 hereof, then:

(a) the license granted by ImmunoGen to CytomX under Section 3.2.1 hereof and the CytomX Option shall immediately terminate;

(b) without limiting ImmunoGen's rights set forth in clause (c) below, CytomX and ImmunoGen and their respective Affiliates shall immediately cease any and all work under any then-outstanding Work Plan;

(c) the license and Options granted to ImmunoGen by CytomX under Section 3.1.1 hereof with respect to the ImmunoGen Research Program Targets shall continue on the terms set forth herein, and such license shall be expanded to permit ImmunoGen and its Affiliates to perform any and all activities in connection with the Research Program with respect to the ImmunoGen Program Targets that would otherwise have been performed by CytomX;

(d) each Party shall promptly destroy all CytomX Agreement PDCs; and

(e) CytomX shall promptly return or destroy all of ImmunoGen's Confidential Information and Proprietary Material, provided that CytomX may retain, subject to Article 6 hereof, (i) one (1) copy of ImmunoGen's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of ImmunoGen contained in its laboratory notebooks or databases and (iii) any

Confidential Information and Proprietary Material of ImmunoGen to the extent reasonably required to exercise its rights and perform its obligations under any outstanding License Agreement.

The foregoing notwithstanding, and subject to Article 6 hereof, ImmunoGen may retain and use CytomX's Confidential Information and Proprietary Material in connection with the exercise of its rights set forth in clause (c) above and to the extent reasonably required to exercise its rights and perform its obligations under any outstanding License Agreement.

8.4.2. **Effect of Termination by CytomX**. If CytomX terminates this Agreement pursuant to Section 8.2 or Section 8.3 hereof, then

(a) the license granted by CytomX to ImmunoGen under Section 3.1.1 hereof and the ImmunoGen Options shall immediately terminate;

(b) without limiting CytomX's rights under clause (c) below, CytomX and ImmunoGen and their respective Affiliates shall immediately cease any and all work under any then-outstanding Work Plan(s);

(c) the license and Option granted to CytomX by ImmunoGen under Section 3.2.1 hereof with respect to the CytomX Research Program Target shall continue on the terms set forth herein, and such license shall be expanded to permit CytomX and its Affiliates to perform any and all activities in connection with the Research Program with respect to the CytomX Research Target that would otherwise have been performed by ImmunoGen;

(d) each Party shall promptly destroy all ImmunoGen Agreement PDCs; and

(e) ImmunoGen shall promptly return or destroy all of CytomX's Confidential Information and Proprietary Material, provided that ImmunoGen may retain, subject to Article 6 hereof, (i) one (1) copy of CytomX's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of CytomX contained in its laboratory notebooks or databases and (iii) any Confidential Information and Proprietary Material of CytomX to the extent reasonably required to exercise its rights and perform its obligations under any outstanding License Agreement.

The foregoing notwithstanding, and subject to Article 6 hereof, CytomX may retain and use ImmunoGen's Confidential Information and Proprietary Material in connection with the exercise of its rights set forth in clause (c) above and to the extent reasonably required to exercise of its rights and perform its obligations under any outstanding License Agreement.

8.4.3. **Satisfaction of Obligations During Notice Period**. During the period from providing a notice of termination through the termination of the Agreement, the Parties shall continue to perform their obligations under this Agreement.

8.4.4. **Pending Dispute Resolution**. If a Party gives notice of termination and the other Party disputes whether such notice was proper, then the issue of whether this Agreement has been terminated shall be resolved in accordance with Section 10.9 and this Agreement shall remain in effect pending the resolution of such dispute. If as a result of such dispute resolution process it is determined that the notice of termination was proper, then such termination shall be effective immediately. If as a result of such dispute resolution process it is determined that the notice of termination was improper, then no termination shall have occurred and this Agreement shall remain in effect. Anything contained in this Agreement to the contrary notwithstanding, if the asserted breach is cured or shown to be non-existent within the applicable cure period, the first notice of breach hereunder shall be deemed automatically withdrawn and of no effect.

8.5. **Effect of Expiration of this Agreement**. If this Agreement expires in accordance with its terms (other than by reason of termination under Section 8.2 or 8.3 hereof), then:

8.5.1. the licenses granted by each Party to the other Party under Section 3.1.1 and Section 3.2.1 hereof and all Options shall immediately terminate;

8.5.2. CytomX and ImmunoGen and their respective Affiliates shall immediately cease any and all work under any then-outstanding Work Plans;

8.5.3. each Party shall promptly destroy all ImmunoGen Probodies and Agreement PDCs except those, if any, Targeting a Licensed Target:

8.5.4. each Party shall promptly return or destroy all of the Confidential Information and Proprietary Material of the other Party, provided that each Party may retain, subject to Article 6 hereof, (a) one (1) copy of the other Party's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (b) any Confidential Information of the other Party contained in its laboratory notebooks or databases and (c) any Confidential Information and Proprietary Material of the other Party to the extent reasonably required to exercise its rights and perform its obligations under any outstanding License Agreement.

8.6. **Remedies**. Except in the case of either Party's breach of Section 2.10.3 or Article 6 hereof, the rights of the non-breaching Party set forth in Section 8.4 hereof shall be the

exclusive legal remedy to a Party arising from a Material Breach; provided, however, that (a) in addition to the foregoing legal remedy, the Parties may seek any and all equitable remedies, including, without limitation, declarative and injunctive relief and specific performance in accordance with applicable law, and (b) nothing in this Section shall limit the Parties' respective rights and obligations with respect to (i) Unauthorized Use of the other Party's Confidential Information or Proprietary Materials, (ii) unauthorized disclosure of the other Party's Confidential Information or (iii) indemnification as set forth in Article 9 hereof.

8.7. **Survival of Certain Obligations**. Expiration or termination of this Agreement shall not relieve the Parties of any obligation that accrued before such expiration or termination. The following provisions shall survive expiration or termination of this Agreement: Sections 2.6, 2.10, 3.1.5 and 3.2.5, Articles 4, 5 and 6, Sections 7.7, 8.1, 8.4, 8.5, 8.6 and 8.7, and Articles 9 and 10. For avoidance of doubt, any other Section that explicitly states it survives expiration or termination of this Agreement shall so survive.

9. LIMITATION ON LIABILITY, INDEMNIFICATION AND INSURANCE.

9.1. **No Consequential Damages**. Except with respect to liability arising from a breach of Article 6 hereof, in no event will either Party, its Affiliates or any of its or its Affiliates' respective Representatives be liable under this Agreement for any special, indirect, incidental, consequential or punitive or exemplary damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, (a) including loss of profits or revenue suffered by either Party or any of its respective Affiliates or Representatives or (b) cost of procurement of substitute goods, technology or services, even if either Party is informed in advance of the possibility of such damages and even if the remedies provided for in this Agreement fail of their essential purpose. For purposes of clarity, a Party's monetary liability under a Third Party Claim for such Third Party's special, indirect, incidental or consequential damages or for any punitive or exemplary damages payable in connection with such Third Party Claim, shall be deemed to be the direct damages of such Party for purposes of this Article 9.

9.2. **Indemnification by ImmunoGen**. ImmunoGen will indemnify, defend and hold harmless CytomX, its Affiliates and each of its and their respective employees, officers, directors and agents (each, a "**CytomX Indemnified Party**") from and against any and all liability, loss, damage, expense (including reasonable attorneys' fees and expenses) and cost (collectively, a "**Liability**") as a direct result of any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (collectively, "**Third Party Claims**") arising out of:

(a) the conduct of any Work Plan by ImmunoGen or any of its Affiliates; or

(b) a Material Breach of this Agreement by ImmunoGen;

except, in each case, to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by CytomX or the negligence, recklessness or intentional acts of CytomX or any CytomX Indemnified Party; provided that with respect to any Third Party Claim for which CytomX also has an obligation to indemnify any ImmunoGen Indemnified Party pursuant to Section 9.3 hereof, ImmunoGen shall indemnify each CytomX Indemnified Party for its Liability to the extent of ImmunoGen's responsibility, relative to CytomX (or to Persons for whom CytomX is legally responsible), for the facts underlying the Third Party Claim.

9.3. **Indemnification by CytomX**. CytomX will indemnify, defend and hold harmless ImmunoGen, its Affiliates, contractors, distributors and each of its and their respective employees, officers, directors and agents (each, a "**ImmunoGen Indemnified Party**") from and against any and all Liabilities as a direct result of any Third Party Claims arising out of:

(a) the conduct of any Work Plan by CytomX or any of its Affiliates; or

(b) a Material Breach of this Agreement by CytomX;

except to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by ImmunoGen or the negligence, recklessness or intentional acts of ImmunoGen or any ImmunoGen Indemnified Party; provided that with respect to any Third Party Claim for which ImmunoGen also has an obligation to indemnify any CytomX Indemnified Party pursuant to Section 9.2 hereof, CytomX shall indemnify each ImmunoGen Indemnified Party for its Liability to the extent of CytomX's responsibility, relative to ImmunoGen (or to Persons for whom ImmunoGen is legally responsible), for the facts underlying the Third Party Claim.

9.4. **Procedure**.

9.4.1. **Notice**. Each Party will notify the other Party in writing in the event it becomes aware of a claim for which indemnification may be sought hereunder. In the event that any Third Party asserts a claim or other proceeding (including any governmental investigation) with respect to any matter for which a Party (the "**Indemnified Party**") is entitled to indemnification hereunder, then the Indemnified Party shall promptly notify the Party obligated to indemnify the Indemnified Party (the "**Indemnifying Party**") thereof; 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 prejudiced thereby.

9.4.2. **Control**. The Indemnifying Party shall have the right, at its sole cost and expense, exercisable by notice to the Indemnified Party within ten (10) Business

Days after receipt of notice from the Indemnified Party of the commencement of or assertion of any Third Party Claim, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim (including the right to settle the claim solely for monetary consideration) with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. The Indemnified Party shall cooperate, and shall cause its Affiliates and agents to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. The Indemnified Party shall have the right to join in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, at its own expense, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

9.4.3. **Settlement**. Neither the Indemnifying Party nor the Indemnified Party shall enter into any compromise or settlement of a Third Party Claim for which the right to indemnification hereunder has been asserted without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the Indemnifying Party may, without the Indemnified Party's prior written consent, agree or consent to any settlement or other resolution of such Third Party Claim which requires solely money damages paid by the Indemnifying Party, and which includes as an unconditional term thereof the giving by such claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such Third Party Claim. Each of the Indemnifying Party and the Indemnified Party shall not make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party, and the Indemnified Party shall use reasonable efforts to mitigate Liabilities arising from such Third Party Claim.

9.5. **Insurance**. Each Party shall obtain and maintain, during the Term, commercial general liability insurance, including products liability insurance, with reputable and financially secure insurance carriers (or pursuant to a program of self-insurance reasonably satisfactory to the other Party) to cover its indemnification obligations under Section 9.2 or Section 9.3 hereof with respect to bodily injury (including death) and damage to property, as applicable, in each case with limits of not less than $3,000,000 per occurrence and in the aggregate. Insurance (other than permitted self-insurance) shall be procured with carriers having an A.M. Best Rating of A-VII or better. Any indemnification payment hereunder shall be made net of any insurance proceeds which the Indemnified Party is entitled to recover; provided, however, that if, following the payment to the Indemnified Party of any amount under this Article 9, such Indemnified Party becomes entitled to recover any insurance proceeds in respect of the claim for

which such indemnification payment was made, the Indemnified Party shall promptly pay an amount equal to the amount of such proceeds (but not exceeding the amount of such indemnification payment) to the Indemnifying Party.

10. MISCELLANEOUS.

10.1. **Assignment**. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required in connection with any assignment of this Agreement to an Affiliate of the assigned Party, or to a Third Party in connection with the transfer or sale of the business to which this Agreement relates, or to any successor Person resulting from any merger or consolidation of such Party with or into such Person, provided that the assignee shall have agreed in writing to assume all of the assignor's obligations hereunder, and provided, further, that the other Party shall be notified promptly after such assignment has been effected. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any purported assignment not in accordance with this Section 10.1 shall be null and void.

10.2. **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

10.3. **Force Majeure**. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by *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 Commercially Reasonable Efforts to resume performance. For purposes of this Agreement, "*force majeure*" shall include conditions beyond the control of the Parties, including an act of God, voluntary or involuntary compliance with any Applicable Law or order of any government, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, or destruction of production facilities or materials by fire, earthquake, storm or like catastrophe.

10.4. **Notices**. Any notice or notification required or permitted to be provided pursuant to the terms and conditions of this Agreement (including any notice of *force majeure*, breach, termination, change of address, etc.) shall be in writing and shall be deemed given upon receipt if delivered personally or by facsimile transmission (receipt verified), five (5) Business Days after deposited in the mail if mailed by certified mail (return receipt requested) postage prepaid, or on the next Business Day if sent by overnight delivery using a nationally recognized express courier service and specifying next

Business Day delivery (receipt verified), to the Parties at the following addresses or facsimile numbers (or at such other address or facsimile number for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

All correspondence to ImmunoGen shall be addressed as follows:

ImmunoGen, Inc.
830 Winter Street
Waltham, MA 02451
Attn: Vice President, Business Development

Fax: [***]

All correspondence to CytomX shall be addressed as follows:

CytomX Therapeutics, Inc.
343 Oyster Point Blvd., Suite 100
South San Francisco, CA 94080-7014
Attn: CEO

Fax: (650) 351-0353

To help expedite the other Party's awareness and response, copies of notices may be provided to the other Party by email but must be supplemented by one of the following methods: (a) personal delivery, (b) first class certified mail with return receipt requested, or (c) next-day delivery by major international courier, with confirmation of delivery. Electronic copies may be sent via email to [***] at CytomX and to [***] at ImmunoGen so long as such individuals remain employed by CytomX or ImmunoGen, respectively.

10.5. **Amendment**. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of the Party to be bound.

10.6. **Waiver**. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

10.7. **Severability**. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in

such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

10.8. **Descriptive Headings**. The descriptive headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

10.9. **Dispute Resolution**. The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to the conduct of the Research Program, Work Plan Activities, either Party's rights or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article 6 hereof or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Patent Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties shall follow the following procedures in an attempt to resolve the dispute or disagreement:

10.9.1. The Party claiming that such a Dispute exists shall give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the Dispute.

10.9.2. Within [***] days of receipt of a Notice of Dispute, the ImmunoGen Alliance Manager and the CytomX Alliance Manager shall meet in person or by teleconference 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.

10.9.3. If the Alliance Managers are unable to resolve the Dispute during the meeting described in Section 10.9.2 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.2 hereof, then the Dispute will be referred to the JRC which shall meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

10.9.4. If the JRC is unable to resolve the Dispute during the meeting described in Section 10.9.3 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.3 hereof, then the Chief Executive Officer of ImmunoGen and the Chief Executive Officer of CytomX shall meet at a mutually agreed-upon time and location for the purpose of resolving such Dispute.

10.9.5. If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 10.9.4 hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute shall be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, as specifically modified by the provisions of this Section 10.9.5.

(a) Arbitration Panel. The arbitration shall be conducted by a panel of three (3) arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator within [***] days of their appointment, who will serve as chairman of the panel. All three (3) arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) and/or legal or business experience in the biotech or pharmaceutical industry. If either Party fails to nominate its arbitrator, or if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***] day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party shall have no *ex parte* communication with its appointed arbitrator.

(b) Location and Proceedings. The place of arbitration will be in the Borough of Manhattan, City of New York, NY or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto shall be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrators have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof.

(c) Limitation on Awards. The arbitrators shall have no authority to award any special, indirect, incidental, consequential, punitive, exemplary or other similar damages. Each Party shall bear its own costs and expenses (including attorneys' fees and expert or consulting fees) incurred in connection with the arbitration. The Parties shall equally (50/50) share the arbitrators' fees and other administrative costs and expenses associated with the arbitration.

(d) Confidentiality. The existence, content and results of any arbitration proceedings pursuant to this Section 10.9.5 shall be deemed the Confidential Information of both Parties.

10.9.6. Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

10.10. **Patent Disputes and Disputes Relating to Article 6**.

10.10.1. Inventorship. Any dispute, controversy or claim between the Parties involving the inventorship of any Program Technology that is not resolved by mutual agreement of the Party's respective chief patent counsels (or persons with similar responsibilities) within [***] days after the date the dispute is raised by one or both of the Parties shall be submitted to an Independent Patent Counsel for resolution. Such Independent Patent Counsel's determination of inventorship, absent manifest error, shall be final and binding on the Parties; provided, however, that any such determination with respect to a patent application shall not preclude either Party from disputing inventorship with respect to any patents issuing from such patent application, which disputes shall be resolved in accordance with this Section. The Parties shall equally (50/50) share the Independent Patent Counsel fees and expenses related to his determination of inventorship.

10.10.2. Other Patent Disputes. Any dispute, controversy or claim between the Parties that involves the validity, scope, infringement, enforceability or ownership of the Parties' respective Patent Rights (a) that are pending or issued in the United States shall be subject to actions before the United States Patent and Trademark Office and/or submitted exclusively to the federal court located in the jurisdiction where the Party whose Patent Rights are the subject to such dispute, controversy or claim resides (provided that if such Party does not reside in the United States, venue shall be the jurisdiction where such Party's principal U.S. Affiliate resides) and (b) that are pending or issued in any other country (or region) shall be brought before an appropriate regulatory or administrative body or court in that country (or region), and the Parties hereby consent to jurisdiction and venue in such courts and bodies.

10.10.3. Disputes Relating to Article 6. Any dispute, controversy or claim between the Parties that relates to the enforcement of Article 6 hereof shall be subject to action in any court of competent jurisdiction.

10.11. **Governing Law**. This Agreement, and all claims arising under or in connection therewith, shall be governed by and interpreted in accordance with the substantive laws of the State of New York, without regard to conflict of law principles thereof.

10.12. **Entire Agreement**. This Agreement, including its Exhibits and Schedules, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof and thereof, including the Confidentiality Agreement.

10.13. **Purpose and Scope**. The Parties understand and agree that this Agreement is limited to the activities, rights and obligations as expressly set forth herein. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

10.14. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be an original and both of which shall constitute together the same document. Counterparts may be signed and delivered by facsimile or PDF file, each of which shall be binding when received by the applicable Party.

10.15. **No Third Party Rights or Obligations**. Except as set forth in Article 9 hereof, no provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights or obligation in any Person not a Party to this Agreement. However, either Party may decide, in its sole discretion, to use one or more of its Affiliates to perform its obligations and duties hereunder, provided that such Party shall remain liable hereunder for the performance by any such Affiliates of any such obligations.

10.16. **Interpretation**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement. In addition, unless the context otherwise requires, wherever used in this Agreement: (i) the singular shall include the plural, the plural the singular; (ii) the use of any gender shall be applicable to all genders; (iii) the word “or” is used in the inclusive sense (and/or); (iv) the words “include” or “including” shall be construed as incorporating, also, “but not limited to” or “without limitation” (irrespective of whether the words are used in

the applicable instance); (v) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and (vi) all references to “will” are interchangeable with the word “shall” and shall be understood to be imperative or mandatory in nature.

[The remainder of this page has been intentionally left blank. The signature page follows.]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

IN WITNESS WHEREOF, duly authorized representatives of the Parties have duly executed this Agreement to be effective as of the Effective Date.

IMMUNOGEN, INC.	CYTOMX THERAPEUTICS, INC.
By: /s/ Peter Williams	By: /s/ Sean McCarthy
Name: Peter Williams	Name: Sean McCarthy
Title: Vice President, Business Development	Title: CEO
Date: January 8, 2014	Date:

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT A

CytomX Research Program Target

[***]UniProtKB/Swiss Prot [***]UniProtKB/Swiss Prot [***] PDC [***]

ImmunoGen Research Program Targets

[***]UniProtKB/Swiss Prot [***]UniProtKB/Swiss Prot [***]

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EXHIBIT B

Form of Joint Press Release

[See Attached

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

IMMUNOGEN, INC.
830 Winter Street, Waltham, MA 02451-1477 TEL: (781) 895-0600 FAX: (781) 895-0611

Contacts for CytomX:

For Investors:
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781-631-0759
Monique@purecommunicationsinc.com

For Media:
Kathryn Cook
Pure Communications, Inc.
910-509-3976
Kathryn@purecommunicationsinc.com

Contacts for ImmunoGen, Inc.:

For Investors:
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Executive Director, Investor Relations
and Corporate Communications
ImmunoGen, Inc.
781-895-0600
info@immunogen.com

For Media:
Barbara Yates
The Yates Network
781-258-6153

CytomX Therapeutics and ImmunoGen, Inc. Announce Strategic Collaboration to Develop Probody-Drug Conjugates Against Cancer Targets

– Collaboration enables creation of PDCs using CytomX's Probody Platform and ImmunoGen's ADC technology –

SOUTH SAN FRANCISCO, CA, and **WALTHAM, MA, January 9, 2014** – CytomX Therapeutics, the Probody™ therapeutics company, and ImmunoGen, Inc. (NASDAQ: IMGN), a biotechnology company that develops targeted anticancer therapies using its validated, industry-leading antibody-drug conjugate (ADC) technology, today announced a multi-year, strategic collaboration to develop Probody-drug conjugate (PDC) therapies for the treatment of cancer. Probodies are a potentially disruptive class of antibody therapeutics that may further broaden the opportunities for ADCs by localizing therapeutic activity to the tumor microenvironment.

Under the terms of the agreement, the companies will collaborate to develop PDCs against a defined number of targets. This collaboration brings together CytomX's proprietary antibody masking technology and tumor-selective protease substrates with ImmunoGen's highly potent ADC cell-killing agents and engineered linkers.

Each company retains full development control of PDC compounds resulting from its target selection and is responsible for preclinical and clinical testing, manufacturing, and commercialization. Each company is entitled to potentially receive clinical and post-approval milestone payments from the other company, as well as royalties on the sales of any marketed products resulting from this collaboration.

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“This strategic collaboration with ImmunoGen is designed to allow each company to build pipeline value by capitalizing on the best of both technology platforms,” said Sean McCarthy, D.Phil., chief executive officer of CytomX. “By combining our Probody technology with ImmunoGen’s world class linker-payload capabilities we will accelerate towards our vision of bringing safer, more effective therapies to patients.”

“ImmunoGen is committed to developing better therapies for the treatment of patients with cancer,” commented John Lambert, PhD, EVP and Chief Scientific Officer. “We believe using our state-of-the-art ADC technology with CytomX’s highly promising Probody Platform will enable us to develop therapies particularly well-suited for certain challenging cancers.”

CytomX’s Probodies are masked monoclonal antibodies that are designed to remain inert in healthy tissue but be activated specifically in the disease microenvironment. Through precise targeting of the disease microenvironment, Probodies have the potential to address diseases in ways that have not been possible to-date, enabling a new level of tissue targeting, selectivity and activation.

ImmunoGen’s ADC technology is used in Roche’s Kadcyla® and in multiple other ADC compounds now in clinical and preclinical testing. It includes highly potent cancer-cell killing agents developed specifically for targeted delivery to cancer cells using monoclonal antibodies, and linkers engineered to keep the agent attached to the antibody in the blood steam and control its release and activation inside a cancer cell.

About CytomX

CytomX Therapeutics, the Probody™ therapeutics company, is dedicated to transforming lives with safer, more effective therapies. CytomX’s Probody Platform represents a disruptive approach to discovering and developing the next generation of antibody therapeutics and is enabling the development of a diversified pipeline in major unmet medical needs including cancer and inflammation. CytomX is led by a seasoned and proven management team and is financed by leading life science investors including Third Rock Ventures, Canaan Partners and the Roche Venture Fund. For more information, please visit www.cytomx.com.

About ImmunoGen, Inc.

ImmunoGen, Inc. develops targeted anticancer therapeutics. The Company’s ADC technology uses a tumor-targeting engineered antibody to deliver one of ImmunoGen’s highly potent cancer-cell killing agents specifically to tumor cells; the Company has also developed antibodies with anticancer activity of their own. The most advanced compound with ImmunoGen’s ADC technology is Roche’s Kadcyla®, which is marketed in the US by Genentech and is also gaining approvals internationally. Additional compounds are in clinical testing by ImmunoGen and through the Company’s partnerships with Amgen, Bayer HealthCare, Biotest and Sanofi. More information about ImmunoGen can be found at www.immunogen.com.

Kadcyla® is a registered trademark of Genentech, Inc., a member of the Roche Group.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

This press release includes forward-looking statements. For these statements, ImmunoGen claims the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. It should be noted that there are risks and uncertainties related to the development of novel anticancer products, including PDCs. A review of these risks can be found in ImmunoGen's Annual Report on Form 10-K for the fiscal year ended June 30, 2013 and other reports filed with the Securities and Exchange Commission. ###

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT C

Form of CytomX License Agreement

[See Attached

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit C

LICENSE AGREEMENT

BETWEEN

CYTOMX THERAPEUTICS, INC.

AND

IMMUNOGEN, INC.

, 201

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

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EXHIBITS

Exhibit A – Licensed Target

Exhibit B – Royalty Rate Reduction Methodology

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

LICENSE AGREEMENT

This Research Collaboration and License Agreement (the "**Agreement**") is entered into as of [1] (the "**Effective Date**"), by and between **CytomX Therapeutics, Inc.**, a corporation organized and existing under the laws of Delaware and having a place of business at 343 Oyster Point Blvd., Suite 100, South San Francisco, California, 94080 United States ("**CytomX**") and **ImmunoGen, Inc.**, a corporation organized and existing under the laws of Massachusetts and having a place of business at 830 Winter Street, Waltham, Massachusetts, 02451 ("**ImmunoGen**"). CytomX and ImmunoGen may each be referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, the Parties have entered into a Research Collaboration Agreement, pursuant to which, among other things, ImmunoGen granted to CytomX the right to obtain a license to certain Know-How and related Patent Rights owned or Controlled by ImmunoGen with respect to certain Targets; and

WHEREAS, pursuant to the Research Collaboration Agreement, CytomX has exercised the CytomX Option (as defined in the Research Collaboration Agreement), pursuant to which the Parties have agreed to enter into this Agreement setting forth the terms and conditions of an exclusive license from ImmunoGen to CytomX with respect to the Licensed Target.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

When used in this Agreement, the following capitalized terms shall have the meanings set forth in this Article 1.

1.1. "**ADC**" means a compound that incorporates, is comprised of or is otherwise derived from an Antibody conjugated to a Payload using a Linker, other than a PDC.

1.2. "**Affiliate**" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person shall be regarded as in control of another entity if it owns or controls at least fifty percent (50%) of the equity securities of the subject entity entitled to vote in the election of directors (or, in the

[1] Insert date of receipt by ImmunoGen of Option Exercise Notice with respect to the Licensed Target.

case of an entity that is not a corporation, for the election of the corresponding managing authority), provided, however, that the term "Affiliate" shall not include subsidiaries or other entities in which a Party or its Affiliates owns a majority of the ordinary voting power necessary to elect a majority of the board of directors or other managing authority, but is restricted from electing such majority by contract or otherwise, until such time as such restrictions are no longer in effect. A Person shall be deemed an Affiliate only so long as it satisfies the foregoing definition.

1.3. "**Alliance Manager**" is defined in Section 2.4 hereof.

1.4. "**Annual Maintenance Fees**" is defined in Section 2.2.1 hereof.

1.5. "**Annual Net Sales**" means, with respect to any Licensed Product in a Calendar Year during the applicable Royalty Term for such Licensed Product, the aggregate Net Sales by a Party, its Affiliates and its Sublicensees from the sale of such Licensed Product in the Territory during such Calendar Year.

1.6. "**Antibody**" means a molecule which comprises or contains: (a) one or more immunoglobulin variable domains; or (b) fragments, variants, modifications or derivatives of such immunoglobulin variable domains irrespective of origin or source, including but not limited to antigen binding portions including Fab, Fab', F(ab')2, Fv, dAb and CDR fragments, single chain antibodies (scFv), chimeric antibodies, monospecific antibodies, diabodies and polypeptides (including humanized versions thereof) that contain at least a portion of an immunoglobulin that is sufficient to confer specific antigen binding to the polypeptide. For clarity, as used in this Agreement, the term "Antibody" shall not include Probodies or PDCs.

1.7. "**Applicable Law**" means the laws, statutes, rules, regulations, guidelines, or other requirements that may be in effect from time to time and apply to a particular activity contemplated hereby, including any such laws, statutes, rules, regulations, guidelines or other requirements of the FDA or the EMA or any applicable securities regulatory authorities or national securities exchanges or securities listing organizations.

1.8. "**Applicant**" is defined in Section 5.5.2 hereof.

1.9. "**Applicant Response**" is defined in Section 5.5.3(b) hereof.

1.10. "**Bankruptcy Code**" is defined in Section 3.4 hereof.

1.11. "**Baseline Net Sales**" is defined in Section 1.94 hereof.

1.12. "**Binding Obligation**" means, with respect to a Party (a) any oral or written agreement or arrangement that binds or legally affects such Party's operations or property,

including any assignment, license agreement, loan agreement, guaranty, or financing agreement; (b) the provisions of such Party's charter, bylaws or other organizational documents or (c) any order, writ, injunction, decree or judgment of any court or Governmental Authority entered against such Party or by which any of such Party's operations or property are bound.

1.13. "**Biosimilar Application**" means an application submitted to the FDA under subsection (k) of the PHSA or a similar application submitted under a similar regulatory scheme to another Regulatory Authority.

1.14. "**BLA"** means a Biologics License Application (as that term is used in Title 21 of the United States Code of Federal Regulations) filed with the FDA seeking Regulatory Approval to market and sell any Licensed Product in the United States for a particular indication.

1.15. "**BPCIA**" means the Biologics Price Competition and Innovation Act of 2009.

1.16. "**Business Day**" means a day other than a Saturday, a Sunday or other day on which banking institutions in Boston, Massachusetts or San Francisco, California are required to be closed or are actually closed with legal authorization.

1.17. "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, for so long as this Agreement is in effect.

1.18. "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

1.19. "**Challenge**" means any challenge to the [***], or [***] of any of the Licensed Patent Rights, including without limitation: (a) filing a declaratory judgment action in which any of the Licensed Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art pursuant to 35 U.S.C. §122 or §301, filing a request for re-examination of any of the Licensed Patent Rights pursuant to 35 U.S.C. §302 or §311, filing [***] of the Licensed Patent Rights pursuant to [***], or filing [***] of the Licensed Patent Rights pursuant to [***]; or (c) filing or commencing any re-examination, opposition, cancellation, nullity or similar proceeding against any of the Licensed Patent Rights in any country.

1.20. "**Challenge Jurisdiction**" is defined in Section 4.2.3(d) hereof.

1.21. "**Challenged Patent Rights**" is defined in Section 4.2.3(d) hereof.

1.22. "**Challenge-Related Royalty Increase**" is defined in Section 4.2.3 (d) hereof.

1.23. "**Clawback Amount**" is defined in Section 4.2.3(d) hereof.

1.24. "**Combination**" is defined in Section 1.104 hereof.

1.25. "**Commercialization**" or "**Commercialize**" means activities with respect to a Licensed Product relating to commercialization in the Field in the Territory, including pre-launch and launch activities, pricing and reimbursement activities, marketing, promoting, detailing, distributing, offering for sale and selling such Licensed Product, importing and exporting such Licensed Product for sale, conducting post-marketing human clinical trials, reporting of adverse events in patients and interacting with Regulatory Authorities regarding any of the foregoing. Commercialization shall not include any activities related to Manufacturing or Development. When used as a verb, "Commercialize" means to engage in Commercialization and "Commercialized" has a corresponding meaning.

1.26. "**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 normally use to accomplish a similar objective under similar circumstances. With respect to any efforts relating to the Development of a Licensed Product by CytomX, generally or with respect to any particular country in the Territory, CytomX will be deemed to have exercised Commercially Reasonable Efforts if it has exercised those efforts normally used by CytomX, in the relevant country, with respect to a compound, product or product candidate, as applicable, owned or Controlled by CytomX, or to which CytomX has similar rights, which compound, product or product candidate is of similar market potential in such country, and is at a similar stage in its development or product life cycle as the Licensed Product, taking into account all relevant factors in effect at the time such efforts are to be expended. It is expressly understood that, so long as this Agreement may be terminated by CytomX for convenience pursuant to Section 8.2 hereof, ceasing the Development of a Licensed Product shall be deemed to be inconsistent with Commercially Reasonable Efforts. Further, to the extent that the performance of CytomX's obligations hereunder is adversely affected by ImmunoGen's failure to perform its obligations hereunder, the impact of such performance failure will be taken into account in determining whether CytomX has used its Commercially Reasonable Efforts to perform any such affected obligations.

1.27. "**Confidential Information**" of a Party means (a) with respect to CytomX, the identity of the Licensed Target, and (b) with respect to each Party, all Know-How or other information, including proprietary information and materials (whether or not patentable) regarding such Party's technology, products, business or objectives, that is communicated in any way or form by or on behalf of such Party (in such capacity, the "**Disclosing Party**") to the other Party (in such capacity, the "**Receiving Party**") or to any of the Receiving Party's or its Affiliates' employees, consultants or subcontractors

(collectively, "**Representatives**"), either prior to or after the Effective Date of this Agreement (including any information disclosed pursuant to the Confidentiality Agreement), and whether or not such Know-How or other information is identified as confidential at the time of disclosure. The terms and conditions of this Agreement shall be deemed to be the Confidential Information of each Party. Confidential Information within the CytomX Program Technology shall be deemed to be the Confidential Information of CytomX. Confidential Information within the ImmunoGen Program Technology shall be deemed to be the Confidential Information of ImmunoGen. Confidential Information within the Joint Program Technology shall be deemed to be the Confidential Information of each Party. Certain other information is designated as Confidential Information throughout this Agreement and is included in this definition.

1.28. "**Confidentiality Agreement**" means that certain Mutual Confidential Disclosure Agreement between the Parties effective as of March 21, 2013.

1.29. "**Conjugation Probody Platform Improvements**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.30. "**Control**" or "**Controlled**" means, with respect to any (a) item of information, including Know-How, (b) intellectual property right, or (c) Proprietary Material, the possession (whether by ownership interest or license, other than pursuant to this Agreement) by a Party of the ability to grant to the other Party access to or a license under such item, right or material, as provided herein, without violating the terms of any agreement or other arrangements with any Third Party.

1.31. "**Covered Results**" is defined in Section 6.3.2 hereof.

1.32. "**Cover(s)**" is defined in Section 4.2.3(b)(iii) hereof.

1.33. "**CytomX Accounting Standards**" means GAAP, as generally and consistently applied throughout CytomX's organization. Beginning upon the First Commercial Sale of a Licensed Product and thereafter during the Term as long as CytomX has an obligation to pay royalties under Section 4.2 hereof, CytomX shall promptly notify ImmunoGen in the event it changes the accounting principles pursuant to which its records are maintained, it being understood and agreed that only internationally recognized accounting principles may be used (*e.g.*, GAAP, IFRS (International Financial Reporting Standards), etc.).

1.34. "**CytomX Indemnified Party**" is defined in Section 9.2 hereof.

1.35. "**CytomX Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which (alone or with others) are employees of, or others obligated to assign inventions to, CytomX or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers.

1.36. "**CytomX Proprietary Materials**" means biological materials (including any Probodies, Masks or Substrates) and other tangible research materials Controlled by CytomX and provided by CytomX to ImmunoGen under this Agreement.

1.37. "**CytomX Response**" is defined in Section 5.5.3(c) hereof.

1.38. "**CytomX Standard Exchange Rate Methodology**" means, with respect to amounts invoiced in U.S. Dollars, all such amounts shall be expressed in U.S. Dollars. With respect to amounts invoiced in a currency other than U.S. Dollars, all such amounts shall be expressed both in the currency in which the amount was invoiced and in the U.S. Dollar equivalent. The U.S. Dollar equivalent shall be calculated using CytomX's then-current standard exchange rate methodology, which is in accordance with the CytomX Accounting Standards applied in its external reporting for the conversion of foreign currency sales into U.S. Dollars or, in the case of Sublicensees, such similar methodology, consistently applied.

1.39. "**CytomX TAP Platform Improvements**" means any TAP Platform Improvement (other than a Joint TAP Platform Improvements) the inventors of which (alone or with others) are employees of, or others obligated to assign inventions to, CytomX or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers pursuant to the Development, Manufacture, use and Commercialization of any Licensed Product.

1.40. "**CytomX Technology**" means any Patent Right, Know-How or other intellectual property right that is Controlled by CytomX or any Affiliate of CytomX or that comes into the Control of CytomX at any time during the Term of this Agreement and is actually used by CytomX in Developing Licensed Products under this Agreement or is otherwise necessary for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making or any Tools for Developing, any Probody, Mask or Substrate.

1.41. "**Cytotoxic Compound**" means [***] Compounds and [***] Compounds.

1.42. "**Deemed Royalty Portion**" is defined in Section 5.4.2(g)(iii) hereof.

1.43. "**Develop**" or "**Development**" means, with respect to a Licensed Product, all pre-clinical, non-clinical and clinical research and drug development activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining or maintaining any Regulatory Approval for such Licensed Product, including

research, toxicology, pharmacology and other similar efforts, test method development and stability testing, manufacturing process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical studies (including pre- and post-approval studies), development of diagnostic assays in connection with clinical studies, and all activities directed to obtaining any Regulatory Approval, including any marketing, pricing or reimbursement approval. When used as a verb, "Develop" means to engage in Development and "Developed" has a corresponding meaning.

1.44. "**Development Milestone**" is defined in Section 4.1.1 hereof.

1.45. "**Development Milestone Payment**" is defined in Section 4.1.1 hereof.

1.46. "**Diligence Obligation**" is defined in Section 2.2.2 hereof.

1.47. "**Disclosing Party**" is defined in Section 1.27 hereof.

1.48. "**Disclosure Letter**" is defined in Section 7.2 hereof.

1.49. "**Dispute**" is defined in Section 10.9 hereof.

1.50. "**Effective Date**" is defined in the introduction to this Agreement.

1.51. "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.52. "**Field**" means all human therapeutic, prophylactic and diagnostic uses.

1.53. "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.), as amended, and the rules and regulations promulgated thereunder.

1.54. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.55. "**First Commercial Sale**" means, with respect to any Licensed Product and any country of the world, the first sale of such Licensed Product under this Agreement by CytomX, its Affiliates or its Sublicensees to a Third Party in such country, after such Licensed Product has been granted Regulatory Marketing Approval by the competent Regulatory Authorities in such country or, if no such Regulatory Marketing Approval or similar approval is required, the date on which such Licensed Product is first commercially launched in such country. The foregoing notwithstanding, "First Commercial Sale" shall not include: [***].

1.56. **"GAAP"** means United States generally accepted accounting principles, consistently applied.

1.57. "**Generic Equivalent**" means, with respect to any Licensed Product in a given country, any biopharmaceutical product that is sold by a Third Party that is not a Sublicensee of CytomX or its Affiliates and such Third Party product (a) contains both (i) an Antibody or Probody that specifically binds to the Licensed Target, and (ii) the same Linker and Cytotoxic Compound as the relevant Licensed Product, or (b) (i) has been licensed as a biosimilar or interchangeable biological product by FDA pursuant to Section 351(k) of the PHSA or any subsequent or superseding law, statute or regulation, (ii) has been licensed as a similar biological medicinal product by the European Medicines Agency pursuant to Directive 2001/83/EC, as may be amended, or any subsequent or superseding law, statute or regulation, or (iii) has otherwise achieved analogous regulatory marketing approval in reliance on the prior approval of the Licensed Product from another applicable Regulatory Authority where in the case of each of subclauses (i), (ii) or (iii) of clause (b) above, the Licensed Product is the reference product for purposes of determining (bio)similarity or interchangeability of the Third Party product.

1.58. "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.59. "[***] **Compounds**" means [***].

1.60. "**Immediate Patent Infringement Action**" means an immediate patent infringement action pursuant to Section 351(1)(6) of the PHSA.

1.61. **[Reserved]**

1.62. "**ImmunoGen Indemnified Party**" is defined in Section 9.3 hereof.

1.63. **[Reserved]**

1.64. "**ImmunoGen Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which are employees, agents or independent contractors of ImmunoGen or any of its Affiliates. Anything contained in this Agreement to the contrary notwithstanding, any and all ImmunoGen Program Technology that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Licensed Product, Linker or Cytotoxic Compound comprised in a Licensed Product shall be included in the Licensed Intellectual Property.

1.65. "**ImmunoGen Proprietary Antibody Rights**" means all Know-How (and associated Patent Rights) owned or Controlled by ImmunoGen during the Term constituting or claiming (a) the composition of matter or method of use of, or method of

making, an Antibody that was generated or in-licensed by ImmunoGen, whether or not patentable (an "**ImmunoGen Proprietary Antibody**"), or (b) the composition of matter or method of use of, or method of making an ADC where the Antibody is an ImmunoGen Proprietary Antibody. For purposes of clarity, "ImmunoGen Proprietary Antibody Rights" does not include any Program Technology that relates to Probodies Targeting the Licensed Target or any Patent Rights claiming such Program Technology.

1.66. "**ImmunoGen Proprietary Materials**" means any chemical (including any Cytotoxic Compounds), biological (including any Antibodies) and other tangible research materials Controlled by ImmunoGen and provided by ImmunoGen to CytomX under this Agreement. Subject to the last sentence of this definition, any mutant, derivative, progeny or improvement of ImmunoGen Proprietary Materials shall be considered to be ImmunoGen Proprietary Materials. [***].

1.67. "**ImmunoGen Technology Transfer Materials**" means ImmunoGen information (including, without limitation, technical transfer reports) as consistently provided by ImmunoGen to its other licensees of the Licensed Intellectual Property for the purpose of [***] and [***] with respect to ADCs, Cytotoxic Compounds and Linkers, as applicable, for use by CytomX for the purpose of Developing, Manufacturing and Commercializing Licensed Products, including: (a) [***] and general properties; (b) an example of an ADC [***], including [***] and [***]; (c) an [***] for [***] and [***] and [***] of [***]; (d) information on [***] and [***]; (e) an [***] of [***]; (f) technical reports on [***] for Licensed Products developed by ImmunoGen under the Research Collaboration Agreement; and (g) a list of [***] and Cytotoxic Compounds) and [***] for [***] Licensed Products.

1.68. **[Reserved]**

1.69. "**Improvement**" is defined in Section 1.141 hereof.

1.70. "**IND**" means an Investigational New Drug Application, as defined in the FD&C Act, that is required to be filed with the FDA before beginning clinical testing of a Licensed Product in human subjects, or an equivalent foreign filing.

1.71. "**Indemnified Party**" is defined in Section 9.4.1 hereof.

1.72. "**Indemnifying Party**" is defined in Section 9.4.1 hereof.

1.73. "**Independent Patent Counsel**" means an outside patent counsel reasonably acceptable to both Parties who (and whose firm) is not at the time of the dispute, and was not at any time during the five (5)-year period preceding the dispute, performing legal services of any nature for either of the Parties or their respective Affiliates (or, in the case of CytomX, its Sublicensees) and which did not, at any time, employ either of the Parties' chief patent counsels (or persons with similar responsibilities).

1.74. "**Infringed Patent List**" is defined in Section 5.5.3(e) hereof.

1.75. "**Infringement**" is defined in Section 5.4.1 hereof.

1.76. "**Insolvency Event**" means the occurrence of any of the following: (a) a case is commenced by or against a Party under applicable bankruptcy, insolvency or similar laws, and is not dismissed within ninety (90) days, (b) a Party files for or is subject to the institution of bankruptcy, reorganization, liquidation, receivership or similar proceedings, (c) a Party assigns all or a substantial portion of its assets for the benefit of creditors, (d) a receiver or custodian is appointed for a Party's business, (e) a substantial portion of a Party's business is subject to attachment or similar process, or (f) anything analogous to any of the events described in the foregoing clauses (a) through (e) occurs under the laws of any applicable jurisdiction.

1.77. "**Joint Conjugation Probody Platform Improvements**" means Conjugation Probody Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.78. "**Joint Development Committee**" or "**JDC**" is defined in Section 2.3.1 hereof.

1.79. "**Joint Patent Right**" means any Patent Right comprised in the Joint Program Technology.

1.80. **[Reserved]**

1.81. "**Joint Program Technology**" means any Program Technology (other than Joint TAP Platform Improvements) the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.82. "**Joint TAP Platform Improvements**" means TAP Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.83. "**Joint Unconjugated Probody Platform Improvements**" means Unconjugated Probody Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.84. "**Know-How**" means any proprietary invention, discovery, data, information, process, method, technique, material, technology, result or other know-how, whether or not patentable.

1.85. "**Knowledge**" is defined in Section 7.2 hereof.

1.86. "**Liability**" is defined in Section 9.2 hereof.

1.87. "**License Agreement**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.88. "**Licensed Intellectual Property**" means any Patent Right, Know-How or other intellectual property right that is owned or Controlled by ImmunoGen or any Affiliate of ImmunoGen or that becomes owned or Controlled by ImmunoGen or any of its Affiliates at any time during the Term (including ImmunoGen's one-half interest in Joint Program Technology and Joint TAP Platform Improvements) that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Licensed Product, Linker or Cytotoxic Compound comprised in a Licensed Product, provided, however, that Licensed Intellectual Property shall expressly exclude any ImmunoGen Proprietary Antibody Rights.

1.89. "**Licensed Know-How**" means any Know-How comprised in the Licensed Intellectual Property.

1.90. "**Licensed Patent Rights**" means any Patent Rights comprised in the Licensed Intellectual Property.

1.91. "**Licensed Product**" means any product that incorporates, is comprised of, or is otherwise derived from, a Target-Binding Probody conjugated to a Cytotoxic Compound using a Linker.

1.92. "**Licensed Target**" means [***]UniProtKB/Swiss Prot [***]UniProt/Swiss Prot [***].

1.93. "**Linker**" means any compound or composition that is useful for linking a cytotoxic or cytostatic moiety, including, without limitation, a Cytotoxic Compound, and a cell-binding moiety, including, without limitation, an Antibody or a Probody, together to form a conjugate of the cytotoxic or cytostatic moiety with the cell-binding moiety.

1.94. "**Loss of Market Exclusivity**" with respect to any Licensed Product in any country, shall be deemed to have occurred only if: (a) one or more Generic Equivalent(s) are being marketed by a Third Party (excluding any Sublicensee) in such country; and (b) Net Sales of such Licensed Product in that country during any Calendar Quarter

following introduction of the Generic Equivalent(s) have declined by at least [***] in that country relative to the average quarterly Net Sales of such Licensed Product in such country over [***] ending prior to the introduction of such Generic Equivalent(s) (the "**Baseline Net Sales**") and such decline in Net Sales is not primarily attributable to [***]. Anything contained in this Agreement to the contrary notwithstanding, a "Loss of Market Exclusivity" shall not be deemed to have occurred if [***].

1.95. "**Major EU Market Country**" means any of [***].

1.96. "**Manufacturing**" or "**Manufacture**" means activities directed to making, producing, manufacturing, processing, filling, finishing, packaging, labeling, quality assurance testing and release, shipping or storage of a product.

1.97. "**Marginal Royalty Rates**" is defined in Section 4.2.1 hereof.

1.98. "**Mask**" means a peptide linked to an Antibody that is capable of inhibiting the specific binding of the Antibody to its Target.

1.99. "**Material Breach**" is defined in Section 8.3 hereof.

1.100. "[***] **Compound**" means [***].

1.101. "**Milestone Payment**" means any Development Milestone Payment or Sales Milestone Payment.

1.102. "**Monies**" is defined in Section 5.4.2(g) hereof.

1.103. "**Negotiation Period**" is defined in Section 5.5.3(e) hereof.

1.104. "**Net Sales**" means, with respect to a Licensed Product, gross receipts from sales by CytomX and its Affiliates and Sublicensees of such Licensed Product to Third Parties in the Territory, less in each case (a) bad debts, (b) sales returns and allowances actually paid, granted or accrued, including trade, quantity and cash discounts and any other adjustments, including those granted on account of price adjustments, billing errors, rejected goods, damaged or defective goods, recalls, returns, rebates, chargeback rebates, reimbursements or similar payments granted or given to wholesalers or other distributors, buying groups, health care insurance carriers, chain pharmacies, mass merchandisers, staff model HMO's, pharmacy benefit managers or other institutions in respect of the purchase price, (c) adjustments actually paid, granted or accrued arising from consumer discount programs or other similar programs, (d) customs or excise duties, sales tax, consumption tax, value added tax, and other taxes (except income taxes) or duties relating to sales, (e) any payment made by CytomX, its Affiliates or Sublicensees in respect of sales to the United States government, any state government or any foreign

government, or to any other Governmental Authority, or with respect to any government-subsidized program or managed care organization, and (f) freight and freight insurance (to the extent that CytomX, its Affiliates or Sublicensees bears the cost of freight and freight insurance for the Licensed Product), in each case in accordance with GAAP, as consistently applied by CytomX with respect to its overall operations.

Net Sales shall not include sales or transfers among CytomX and its Affiliates and Sublicensees where the Licensed Product is intended for subsequent sale to the end user. All the foregoing elements of Net Sales calculations shall be determined from the books and records of CytomX and its Sublicensees, maintained in accordance with the CytomX Accounting Standards or, in the case of Sublicensees, such similar accounting principles, consistently applied.

In the event a Licensed Product is sold as a component of a combination or bundled product that consists of a Licensed Product together with another therapeutically active product, or screening or diagnostic product, for the same indication (a "Combination"), the Net Sales from the Combination, for the purposes of determining royalty payments hereunder, shall be determined by multiplying the Net Sales of the Combination (as defined in the standard Net Sales definition above) by the fraction A/(A+B), where A is the weighted average per unit sale price of the Licensed Product when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form, and B is the weighted average per unit sale price of the other product(s) included in the Combination when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form.

In the event that the weighted average per unit sale price of the Licensed Product can be determined but the weighted average per unit sale price of the other product(s) included in the Combination cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination (as defined in the standard Net Sales definition above) by the fraction A/C, where A is the weighted average sale price of the Licensed Product when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form, and C is the weighted average per unit sale price of the Combination.

In the event that the weighted average per unit sale price of the other product(s) included in the Combination can be determined but the weighted average per unit sale price of the Licensed Product in similar volumes and of the same class purity, potency and dosage form as in the Combination cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying Net Sales of the Combination (as defined in the standard Net Sales definition above) by a fraction determined by the following formula: one (1) minus (B/C) where B is the weighted

average per unit sale price of the other product(s) included in the Combination when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form and C is the weighted average per unit sale price of the Combination.

In the event that such average per unit sale price cannot be determined for the Licensed Product, on the one hand, and all other product(s) included in the Combination, on the other, Net Sales for the purposes of determining royalty payments shall be mutually agreed upon by the Parties based on the relative value contributed by each component, such agreement to be negotiated in good faith.

The weighted average per unit sale price for both the Licensed Product, on the one hand, and all other product(s) included in the Combination, on the other, shall be calculated once each Calendar Year and such price shall be used during all applicable royalty reporting periods for the entire following Calendar Year. When determining the weighted average per unit sale price of a Licensed Product, other product(s), or Combination, the weighted average per unit sale price shall be calculated by dividing sales dollars (translated into U.S. Dollars using the CytomX Standard Exchange Rate Methodology) by the units sold during the twelve (12) months (or the number of months in which sales occurred in a partial Calendar Year) of the preceding Calendar Year for the respective Licensed Product, other product(s), or Combination. In the initial Calendar Year, a forecasted weighted average per unit sale price will be used for the Licensed Product, other product(s), or Combination. Any over- or under-payment due to a difference between the forecasted and actual weighted average per unit sale price will be paid or credited in the first royalty payment of the following Calendar Year.

1.105. "**Non-Disclosing Party**" is defined in Section 6.3.2 hereof.

1.106. "**Notice of Dispute**" is defined in Section 10.9.1 hereof.

1.107. "**Party**" and "**Parties**" is defined in the introduction to this Agreement.

1.108. "**Patent Committee**" is defined in Section 5.2.4 hereof.

1.109. "**Patent Rights**" means any and all (a) patents, (b) pending patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patents granted thereon, (c) all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) any other form of government-issued right substantially similar to any of the foregoing and (f) all United States and foreign counterparts of any of the foregoing.

1.110. "**Payload**" means a therapeutic cytotoxic or cytostatic compound, including, without limitation, a Cytotoxic Compound.

1.111. "**PDC**" means a compound that incorporates, is comprised of or is otherwise derived from, a Probody conjugated to a Payload using a Linker.

1.112. "**Permitted Third Party Service Providers**" is defined in Section 3.1.1 hereof.

1.113. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.114. "**Phase 1 Clinical Study**" means an initial study of a Licensed Product in human subjects or patients with the endpoint of determining initial tolerance, safety, metabolism or pharmacokinetic information and clinical pharmacology of such product as and to the extent defined for the United States in 21 C.F.R. § 312.21(a), or its successor regulation, or the equivalent regulation in any other country.

1.115. "**Phase 2 Clinical Study**" means a study of a Licensed Product in human patients that is intended to obtain information on the Licensed Product's activity for an indication at a prescribed (or otherwise limited) dose and administration schedule, as well as additional information on the Licensed Product's safety and toxicity as and to the extent defined for the United States in 21 C.F.R. § 312.21(b), or its successor regulation, or the equivalent regulation in any other country. Without limiting the generality of the foregoing, a clinical study shall be deemed to be a "Phase 2 Clinical Study" hereunder if such study has been designated by the sponsor as a Phase 2 [II] clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.116. "**Phase 3 Clinical Study**" means a study of a Licensed Product in human patients with a defined dose or a set of defined doses of a Licensed Product designed to (a) ascertain efficacy and safety of such Licensed Product for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; and (c) support preparing and submitting applications for Regulatory Marketing Approval to the competent Regulatory Authorities in a country of the world, as and to the extent defined for the United States in 21 C.F.R.§ 312.21(c), or its successor regulation, or the equivalent regulation in any other country. "Phase 3 Clinical Study" shall also include any other human clinical trial serving as a pivotal study from which the data are actually submitted to the applicable Regulatory Authority in connection with a Regulatory Marketing Approval Application, whether or not such trial is called a "Phase 3" study. Without limiting the generality of the foregoing,

a clinical study shall be deemed to be a "Phase 3 Clinical Study" hereunder if such study has been designated by the sponsor as a Phase 3 [III] clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.117. "**PHSA**" means the Public Health Services Act, as amended (42 U.S.C. § 201 *et seq*.).

1.118. "**Pre-Market Notice**" is defined in Section 5.5.4(b) hereof.

1.119. "**Probody**" means an Antibody linked to a Substrate and a Mask that is claimed or covered by CytomX Technology.

1.120. **[Reserved]**

1.121. "**Program Technology**" means all Know-How (other than TAP Platform Improvements) that either Party or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers (or any of their respective employees, agents or independent contractors), alone or with others, makes, creates, develops, discovers, conceives or first actually reduces to practice pursuant to the Development, Manufacture, use or Commercialization of any Licensed Product, including any Patent Rights related thereto. Program Technology also includes "Program Technology" (as defined in the Research Collaboration Agreement) that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Licensed Product, Linker or Cytotoxic Compound comprised in any Licensed Product.

1.122. "**Proposed Biosimilar Product**" is defined in Section 5.5.1 hereof.

1.123. "**Proposed Patent List**" is defined in Section 5.5.3(a) hereof.

1.124. "**Publishing Party**" is defined in Section 6.3.2 hereof.

1.125. "**Receiving Party**" is defined in Section 1.27 hereof.

1.126. "**Regulatory Approval**" means any technical, medical, scientific or other license, registration, authorization or approval of any Regulatory Authority (including any approval of a New Drug Application or Biologic License Application) necessary for the Development, Manufacture, use or Commercialization of a pharmaceutical product in any regulatory jurisdiction.

1.127. "**Regulatory Approval Application**" means any application submitted to an appropriate Regulatory Authority seeking any Regulatory Approval.

1.128. "**Regulatory Authority**" means the FDA or any counterpart of the FDA outside the United States, or other national, supra-national, regional, state or local regulatory jurisdiction, any agency, department, bureau, commission, council or other governmental entity with authority over the Development, Manufacture, use or Commercialization of a Licensed Product.

1.129. "**Regulatory Marketing Approval**" means, with respect to any pharmaceutical product and any indication, Regulatory Approval (including any supplement thereto) to sell such pharmaceutical product for such indication, including, in any jurisdiction other than the United States, to the extent required for any sale in such country, all pricing and reimbursement approvals to be obtained from the Regulatory Authority granting such Regulatory Approval or any affiliated Regulatory Authority.

1.130. "**Representatives**" is defined in Section 1.27 hereof.

1.131. "**Research Collaboration Agreement**" means that certain Research Collaboration Agreement effective as of January 8, 2014 by and between CytomX and ImmunoGen, as the same may be amended from time to time.

1.132. "**Research Program**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.133. "**Review Period**" is defined in Section 6.3.2 hereof.

1.134. "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period of time from the First Commercial Sale of such Licensed Product in such country until the later of (a) the expiration of the last Valid Claim that would, but for the license granted hereunder, be infringed by the manufacture, use, sale, offer for sale or importation of such Licensed Product in such country or (b) the twelfth (12th) anniversary of the date of the First Commercial Sale of such Licensed Product in such country, but in the case of (b), in no event later than the twentieth (20th) anniversary of the earlier of the date of the First Commercial Sale of such Licensed Product in the United States or the date of the First Commercial Sale of such Licensed Product in any Major EU Market Country. Anything contained in this Agreement to the contrary notwithstanding, if the Licensed Product (or any component or intermediate thereof) was manufactured in a country where such manufacture would, at the time of such manufacture, have infringed a Valid Claim within the Licensed Patent Rights in the country of manufacture in the absence of the license granted under Section 3.3.1 hereof, then the Royalty Term in the country of sale of such Licensed Product, if otherwise expired pursuant to the first sentence of this Section, shall be extended or reinstated, as the case may be, but only with respect to sales of Licensed Products so manufactured. In determining infringement of Valid Claims for purposes of this definition of Royalty Term, (i) any Valid Claim within the Licensed Patent Rights that is jointly owned by CytomX

(or any of its Affiliates) with ImmunoGen (or any of its Affiliates) shall be deemed to be owned solely by ImmunoGen or an Affiliate of ImmunoGen, and (ii) claims contained in patent applications that have not resulted in the issuance of a patent in a country will be disregarded for purposes of determining the expiration of the Royalty Term for a Licensed Product in such country under this definition.

1.135. "**Sales Milestone**" is defined in Section 4.1.2 hereof.

1.136. "**Sales Milestone Payment**" is defined in Section 4.1.2 hereof.

1.137. "**Sales Threshold**" is defined in Section 4.1.2 hereof.

1.138. "**Strain**" is defined in Section 1.66 hereof.

1.139. "**Sublicensee**" means any Third Party to whom CytomX or an Affiliate of CytomX grants or has granted, directly or indirectly, a sublicense of rights licensed by ImmunoGen under this Agreement, in accordance with the provisions of this Agreement.

1.140. "**Substrate**" means a moiety that is linked to the Antibody and to the Mask of a Probody and is capable of being cleaved, reduced or photolysed.

1.141. "**TAP Platform Improvements**" means any enhancement, improvement or modification (each, an "**Improvement**") to the Licensed Intellectual Property that is (a) an Improvement to the [***] of or [***] of [***] Cytotoxic Compound, (b) an Improvement to the [***] for [***] ADCs or PDCs (including, for example, [***] or [***] that create improvements in the yield of such conjugate), (c) an Improvement to the [***] of or [***] for [***], (d) an Improvement to any of the [***] used for [***] and [***] any Cytotoxic Compound, [***] ADCs or PDCs, or (e) an Improvement to the [***] of ADCs or PDCs. [***], in and of themselves, will not be deemed to be TAP Platform Improvements, although the Parties acknowledge that TAP Platform Improvements may be incorporated into [***].

1.142. "**Target**" means a protein described by a unique UniProtKB/Swiss Prot accession number (and all fragments, mutations and splice variants thereof) that is bound by an Antibody or a Probody.

1.143. "**Target**," "**Targeting**" or "**Targeted**" means, when used as a verb to describe the relationship between a molecule and a Target, where the molecule's primary intended mechanism of action requires that it bind to the Target (or a portion thereof).

1.144. "**Target-Binding Probody**" means a Probody that Targets the Licensed Target. [***]

1.145. "**Term**" is defined in Section 8.1 hereof.

1.146. "**Territory**" means the entire world.

1.147. "**Third Party**" means any Person other than CytomX, ImmunoGen or their respective Affiliates.

1.148. "**Third Party Claims**" is defined in Section 9.2 hereof.

1.149. "**Third Party Payments**" is defined in Section 4.2.3(a) hereof.

1.150. "**Unauthorized Use**" is defined in Section 2.6.3 hereof.

1.151. "**Unconjugated Probody Platform Improvements**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.152. "**Valid Claim**" means, with respect to a particular country, (a) a claim of an issued and unexpired patent right included within the Licensed Patent Rights that (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental authority of competent jurisdiction, which decision is unappealed or unappealable within the time allowed for appeal, and (ii) has not been cancelled, withdrawn, abandoned, disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (b) a *bona fide* claim of a pending patent application included within the Licensed Patent Rights that has not been (i) cancelled, withdrawn or abandoned without being refiled in another application in the applicable jurisdiction or (ii) finally rejected by an administrative agency action from which no appeal can be taken or that has not been appealed within the time allowed for appeal, provided that any claim in any patent application pending for more than seven (7) years from the earliest date on which such patent application claims priority shall not be considered a Valid Claim for purposes of the Agreement from and after such seven (7) year date unless and until a patent containing such claim issues from such patent application and solely if such patent issues while another Valid Claim covers the relevant Licensed Product in the relevant country. Anything contained in this Agreement to the contrary notwithstanding, a claim within an issued and unexpired patent within the Licensed Patent Rights shall remain a Valid Claim for all purposes under this Agreement, notwithstanding a determination that such claim is unenforceable pursuant to the operation of the BPCIA, if such determination is exclusively caused by or results solely from any act or omission by CytomX (or any of its Affiliates or Sublicensee) determined to have been made negligently or in bad faith in the performance of CytomX's obligations under Section 5.5.3 hereof that results in actual prejudice to ImmunoGen's ability to preserve its rights in the Licensed Patent Rights and eliminate the infringement threatened by the Applicant (excluding any acts or omissions undertaken pursuant to the specific written instruction of ImmunoGen).

2. PRODUCT DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION.

2.1. **General**. CytomX shall have sole authority over, responsibility for and control of (notwithstanding the formation of the JDC or its decisions and/or disputes among the membership of the JDC) the Development, Manufacture, use and Commercialization of the Licensed Products, and shall bear all costs associated with such Development, Manufacture, use and Commercialization. To the extent it has not already done so or is not required to do so under the Research Collaboration Agreement, upon request by CytomX, ImmunoGen will provide CytomX and/or its designated Permitted Third Party Service Providers with the ImmunoGen Technology Transfer Materials. In addition, upon reasonable request by CytomX, ImmunoGen shall use reasonable efforts to provide CytomX with technical advice to assist CytomX in its use of the ImmunoGen Technology Transfer Materials in connection with the Development and Manufacture of Licensed Products hereunder.

2.2. **Development Diligence**.

2.2.1. **CytomX Diligence**. CytomX will use Commercially Reasonable Efforts to Develop Licensed Products and to undertake investigations and actions required to obtain Regulatory Marketing Approval in the Territory; provided that the obligations set forth in this Section shall cease upon the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory. For avoidance of doubt, any actions taken by CytomX's Affiliates or Sublicensees under this Agreement shall be treated as actions taken by CytomX in regard to satisfaction of the requirements of this Section 2.2.1. Beginning on the sixth (6th) anniversary of the Effective Date and thereafter, CytomX will make non-refundable and non-creditable maintenance payments in the amounts set forth below (the "**Annual Maintenance Fees**") until the earlier of (a) the first filing of an IND in the U.S. or in any European Union country for any Licensed Product or (b) the termination of this Agreement in accordance with its terms. The amounts of the Annual Maintenance Fee accruing as of each anniversary of the Effective Date, beginning with the sixth (6th) anniversary are as follows:

Anniversary of the Effective Date	Maintenance Fee
Sixth (6th) anniversary	$ [***]
Seventh (7th) anniversary	$ [***]
Eighth(8th) anniversary and each anniversary thereafter	[***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

CytomX will pay the applicable Annual Maintenance Fee in accordance with Section 4.3 hereof within [***] after the applicable anniversary of the Effective Date. Payment of Annual Maintenance Fees by CytomX shall not establish that CytomX has satisfied its due diligence obligations under this Section 2.2, and such payments shall be given no consideration or weight in determining whether CytomX has satisfied such due diligence obligations. Anything contained in this Agreement to the contrary notwithstanding, CytomX shall have no obligation to pay Annual Maintenance Fees hereunder if the first filing of an IND in the U.S. or in any European Union country for any Licensed Product has occurred prior to the sixth (6^{th}) anniversary of the Effective Date.

2.2.2. **Exceptions to Diligence Obligations**. Notwithstanding any provision of this Agreement to the contrary, CytomX will be relieved from and will have no obligation to undertake any efforts with respect to any diligence obligation under Section 3.2.1 with respect to a given Licensed Product (each, a "**Diligence Obligation**") in the event that ImmunoGen materially breaches any of its Development or other obligations under this Agreement related to such Licensed Product upon which performance of the applicable Diligence Obligation is dependent.

2.2.3. **Remedies for Breach of Diligence Obligations**. A material breach of any Diligence Obligation by CytomX shall be deemed to be a Material Breach by CytomX hereunder.

2.3. **Joint Development Committee**.

2.3.1. **Formation of the Joint Development Committee**. As soon as practicable after the Effective Date, CytomX and ImmunoGen shall establish a "**Joint Development Committee**" (or "**JDC**") to coordinate the sharing of safety data and minutes of meetings with Regulatory Authorities with regard to Licensed Products. The JDC shall also serve as a forum to facilitate communications between the Parties regarding this Agreement. The JDC shall be comprised of two (2) representatives from each Party as appointed by such Party, with such representatives possessing appropriate expertise and seniority. The JDC may change its size from time to time by mutual consent of its members. A Party may replace one or more of its representatives from time to time upon written notice to the other Party. The JDC shall exist until the expiration of the Term or earlier termination of the Agreement, unless the Parties otherwise agree in writing, provided that CytomX may dissolve the JDC upon the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory.

2.3.2. **Chairperson and Secretary of the Joint Development Committee**. CytomX shall designate a chairperson of the JDC, and a secretary of the JDC shall be designated by agreement of the members of the JDC. CytomX may change the designation of the chairperson from time to time upon written notice to ImmunoGen. The chairperson or his or her designee shall be responsible for scheduling meetings of the JDC, preparing agendas for meetings and sending to all JDC members notices of all regular meetings and agendas for such meetings at least [***] Business Days before such meetings. The chairperson shall solicit input from both Parties regarding matters to be included on the agenda, and any matter either Party desires to have included on the agenda shall be included for discussion. Nothing herein shall be construed to prohibit the JDC from discussing or acting on matters not included on the applicable agenda. The secretary shall (a) record the minutes of the meeting, (b) circulate copies of meeting minutes to the Parties and each JDC member promptly following the meeting for review, comment and approval by the JDC members and (c) finalize approved meeting minutes. The chairperson shall be a member of the JDC but the secretary need not be a member of the JDC.

2.3.3. **Meetings**. The JDC shall meet at least three (3) times each Calendar Year (unless the Parties mutually agree in advance of any scheduled meeting that there is no need for such meeting, in which case the next JDC meeting shall also be scheduled as agreed upon by the Parties) until it has been terminated in accordance with Section 2.3.1 hereof at dates and times mutually agreed by the JDC. The initial meeting of the JDC shall be held within [***] days after the Effective Date. Either Party may call a special meeting of the JDC on [***] days written notice to the other Party's members of the JDC (or upon such shorter notice as exigent circumstances may require). Such written notice shall include an agenda for the special meeting. In-person meetings, including special meetings, of the JDC shall alternate between the offices of the Parties, unless otherwise agreed upon by the members of the JDC. Meetings of the JDC may be held telephonically or by video conference; provided, however, that at least [***] meetings per year shall be held in-person. Meetings of the JDC shall be effective only if at least one (1) representative of each Party is in attendance or participating in the meeting. Members of the JDC shall have the right to participate in at meetings held by telephone or video conference. In addition, the JDC may act on any matter or issue without a meeting if it is documented in a written consent signed by each member of the JDC.

2.3.4. **Responsibilities of the Joint Development Committee**. The JDC shall be responsible for (a) receiving and reviewing all safety data, relevant regulatory

information and other related information obtained by either Party in connection with the Development, Manufacture, use and Commercialization of Licensed Products; (b) facilitating communication between the Parties, (c) resolving Disputes between the Parties, such as Disputes about interpretation of this Agreement, understanding that CytomX has sole authority over the Development, Manufacturing, use and Commercialization of Licensed Products; and (d) such other functions as expressly specified hereunder or as agreed by the Parties. At the time that the first Licensed Product enters a clinical trial, the Parties shall negotiate in good faith the terms of a separate written safety data exchange agreement that, among other things, will govern the exchange of pharmacovigilance information.

2.3.5. **Resolution by** [***]. All resolution of Disputes by the JDC shall be made by [***]. If the JDC cannot or does not reach [***] on a Dispute, then such Dispute shall be resolved in accordance with Section 10.9 hereof.

2.4. **Alliance Managers**. In addition to the foregoing governance provisions, each of the Parties shall appoint a single individual to serve as that Party's alliance manager ("**Alliance Manager**"). The role of each Alliance Manager will be to participate and otherwise facilitate the relationship between the Parties as established by this Agreement. A Party may replace its Alliance Manager from time to time upon written notice to the other Party.

2.5. **Updates and Reports; Product Recalls**.

2.5.1. **Development Updates**. Upon the request of ImmunoGen, CytomX shall provide ImmunoGen with brief written reports, which ImmunoGen may request no more frequently than [***] until satisfaction of CytomX's obligations under Section 2.2.1 hereof, that shall summarize CytomX's efforts to Develop the Licensed Products in the Field in the Territory in sufficient detail to establish that CytomX is using Commercially Reasonable Efforts to Develop the Licensed Product, identify the applications for Regulatory Approval that CytomX or its Affiliates or Sublicensees have filed, sought or attempted to obtain in the prior [***] period, and any they reasonably expect to file, seek or attempt to obtain in the following [***] period. The Parties agree that the minutes of the JDC meetings may serve as reports hereunder, to the extent such minutes adequately address the above subject matter.

2.5.2. **Correspondence for Licensed Products**. To the extent reasonably practicable and subject to any Third Party confidentiality obligations, CytomX shall provide ImmunoGen with copies of any material documents or correspondence pertaining to ImmunoGen's manufacture or supply of Cytotoxic Compound or Licensed Product in drug substance form and prepared for

submission to any Regulatory Authority and any material documents or other correspondence received from any Regulatory Authority pertaining to ImmunoGen's manufacture or supply of Cytotoxic Compound or Licensed Product in drug substance form. ImmunoGen shall complete its review within [***] after receipt of the proposed submission. When requested in writing, ImmunoGen shall use commercially reasonable efforts to provide assistance to CytomX in obtaining Regulatory Approvals for Licensed Products. Notwithstanding the foregoing, CytomX shall have the sole responsibility for, and ImmunoGen agrees that CytomX shall be the sole owner of, any Regulatory Approval for the Licensed Products.

2.5.3. **Product Recalls**. In the event any Regulatory Authority issues or requests a recall or takes similar action with respect to a Licensed Product that CytomX reasonably believes is or may be attributable to or otherwise relates to the Licensed Intellectual Property, or in the event either Party reasonably believes that an event, incident or circumstance has occurred that may result in the need for such a recall, such Party shall promptly notify the other Party thereof by telephone, facsimile or email. Following such notification, CytomX shall decide and have control of whether to conduct a recall or market withdrawal (except in the event of a recall or market withdrawal mandated by a Regulatory Authority, in which case it shall be required) or take such other corrective action in any country and the manner in which any such recall, market withdrawal or corrective action shall be conducted, provided that CytomX shall keep ImmunoGen informed regarding any such recall, market withdrawal or corrective action as ImmunoGen from time to time may reasonably request, but only to the extent CytomX is legally permitted to do so. CytomX shall bear all expenses of any such recall, market withdrawal or corrective action, including, without limitation, expenses of notification, destruction and return of the affected Licensed Product and any refund to customers of the amounts paid for such Licensed Product.

2.5.4. **Confidential Information**. All reports, updates, product complaints and other information provided by the Disclosing Party to the Receiving Party under this Agreement (including under this Section 2.5), shall be considered Confidential Information of the Disclosing Party, subject to the terms of Article 7 hereof.

2.6. **Transfer and Use of Proprietary Materials**.

2.6.1. **Transfer and Use of ImmunoGen Proprietary Materials**. From time to time during the Term, ImmunoGen may provide CytomX with ImmunoGen Proprietary Materials for use in the Development and Manufacture of Licensed Products under this Agreement. ImmunoGen's Proprietary Materials are provided by ImmunoGen on an "as-is" basis without representation or warranty of any

type, express or implied, including any representation or warranty of merchantability, non-infringement, title or fitness for a particular purpose, each of which is hereby disclaimed by ImmunoGen. In connection with the foregoing, CytomX agrees that (a) it shall not use ImmunoGen's Proprietary Materials provided under this Agreement for any purpose other than exercising its rights and performing its obligations hereunder; (b) it shall not use ImmunoGen Proprietary Materials provided under this Agreement in any human subject; (c) it shall use ImmunoGen Proprietary Materials in compliance with all Applicable Laws; (d) it does not acquire any right, title or interest in or to ImmunoGen Proprietary Materials as a result of such provision by ImmunoGen; and (e) upon expiration or termination of this Agreement for any reason, CytomX shall, if and as instructed by ImmunoGen, either destroy or return ImmunoGen Proprietary Materials provided under this Agreement that are not the subject of a continuing license hereunder. CytomX shall be entitled to transfer ImmunoGen Proprietary Materials to any Affiliate, Sublicensee or Permitted Third Party Service Provider under terms obligating such Affiliate, Sublicensee or Permitted Third Party Service Provider not to use or transfer such ImmunoGen Proprietary Materials except in compliance with the preceding sentence.

2.6.2. **Transfer and Use of CytomX Proprietary Materials**. From time to time during the Term, CytomX may provide ImmunoGen with CytomX Proprietary Materials. ImmunoGen shall use the CytomX Proprietary Materials solely in connection with conducting the specific activities for which such CytomX Proprietary Materials are provided to ImmunoGen, and for no other purpose. Without limiting the generality of the foregoing, except as expressly set forth in this Agreement or in other written authorization by CytomX, ImmunoGen shall not make or attempt to make analogues, progeny or derivatives of, or modifications to, the CytomX Proprietary Materials, using CytomX's Confidential Information, and ImmunoGen shall not use the CytomX Proprietary Materials for the benefit of any Third Party or of its own internal research programs. ImmunoGen shall comply with all Applicable Laws regarding the handling and use of the CytomX Proprietary Materials. ImmunoGen agrees to retain possession over the CytomX Proprietary Materials and not to provide the CytomX Proprietary Materials to any Third Party without CytomX's prior written consent.

2.6.3. **Unauthorized Use of Confidential Information and Proprietary Materials**. In the event that (a) CytomX or any of its Affiliates or Sublicensees use ImmunoGen's Confidential Information (including, without limitation, any Confidential Information within the Licensed Know-How) or ImmunoGen Proprietary Materials for any purpose other than in connection with CytomX's exercise of its rights and performance of its obligations hereunder or the Research

Collaboration Agreement (if then in effect) or (b) ImmunoGen or any of its Affiliates uses CytomX's Confidential Information or CytomX Proprietary Materials for any purpose other than the purposes authorized herein or in any other License Agreement or the Research Collaboration Agreement (if then in effect) (in each case, an "**Unauthorized Use**"), the results of such Unauthorized Use, and any discoveries or inventions that arise from such Unauthorized Use, whether patentable or not, shall belong solely and exclusively to the providing Party. If required in order to perfect or enforce the providing Party's ownership of such results, discoveries or inventions, each Party, on behalf of itself and its Affiliates (and in the case of CytomX, its Sublicensees), each hereby assigns and agrees to assign to the providing Party all of its and their right, title and interest in and to all such results, discoveries or inventions made through such Unauthorized Use. Each Party agrees to cooperate, and to cause its Affiliates (and in the case of CytomX, its Sublicensees) to cooperate, with the providing Party, and to execute and deliver any and all documents that the providing Party reasonably deems necessary, to perfect and enforce its rights hereunder.

2.7. **Services**. If, during the Term, CytomX requests that ImmunoGen provide additional services with respect to (a) process development, (b) analytical method development, or (c) manufacturing and supply of Licensed Product in drug substance form for any GLP toxicology studies, clinical studies, or commercial scale-up, but excluding pivotal studies and commercial supply, or (d) any other tasks in connection with the Development, Manufacture, use or Commercialization of Licensed Products with respect to which the Parties may mutually agree, then the Parties shall negotiate in good faith the terms of separate written agreements with respect to such activities.

3. LICENSE GRANTS.

3.1. **License Grants**.

3.1.1. **Commercial License**. Subject to the terms and conditions of this Agreement, ImmunoGen hereby grants to CytomX and its Affiliates an exclusive (even as to ImmunoGen), non-transferable (except as expressly permitted in this Agreement), royalty-bearing license, including the right to grant sublicenses as described in Section 3.1.2 hereof, under the Licensed Intellectual Property, to Develop, make, have made, use, sell, offer for sale, import and otherwise Commercialize Licensed Products in the Field in the Territory. CytomX and its Affiliates shall have the right to engage one or more Affiliates or Third Parties (the latter being referred to herein as "**Permitted Third Party Service Providers**") as subcontractors to perform designated functions in connection with its activities under this Agreement (including transferring Licensed Know-How and ImmunoGen Proprietary Materials as may be necessary for such Permitted Third Party Service Providers to perform such designated functions); provided that (a) CytomX shall [***] and (b) CytomX shall [***].

3.1.2. **Right to Sublicense**. CytomX and its Affiliates shall have the right to grant sublicenses under the rights granted to them under Section 3.1.1 hereof with respect to any Licensed Product to any Sublicensee, provided that (a) each such sublicense shall be consistent with the terms and conditions of this Agreement, (b) CytomX shall [***], (c) CytomX and its Affiliates shall cause [***], (d) CytomX shall [***].

3.2. **Retained Rights and Covenants**.

3.2.1. **Retained Rights.** [***] PDC [***]

3.2.2. **Covenants.** [***] PDC [***] PDC [***]

3.3. **License to CytomX TAP Platform Improvements**. CytomX, on behalf of itself and its Affiliates, hereby grants to ImmunoGen a non-exclusive, sublicensable, perpetual, irrevocable, royalty-free worldwide license under CytomX's interest in any CytomX TAP Platform Improvements, including, without limitation, any Patent Rights claiming such CytomX TAP Platform Improvements, to exploit such CytomX TAP Platform Improvements (a) for any purpose in the Field other than developing, manufacturing, using or commercializing PDCs and (b) for any purpose outside of the Field. Nothing in this Agreement shall be construed as obligating CytomX to [***] or any of its Affiliates or any Third Party [***].

3.4. **Section 365(n) of Bankruptcy Code**. All rights and licenses now or hereinafter granted by either Party to the other Party under or pursuant to any section of this Agreement, including the licensed granted in this Article 3, are rights to "intellectual property" (as defined in Section 101(35A) of Title 11 of the United States Code, as amended (such Title 11, the "**Bankruptcy Code**")). The Parties hereto acknowledge and agree that the payments provided for under Article 4 hereof, other than royalty payments pursuant to Section 4.2 hereof, do not constitute royalties within the meaning of Section 365(n) of the Bankruptcy Code or relate to licenses of intellectual property under this Agreement.

3.5. **No Implied Rights**. Except as expressly provided in this Agreement, neither Party shall be deemed, by estoppel, implication or otherwise, to have granted the other Party any license or other right with respect to any intellectual property of such Party.

4. PAYMENTS.

4.1. **Milestone Payments**.

4.1.1. **Development Milestones**. Within [***] following the first occurrence of each event (each, a "**Development Milestone**") described below for the first Licensed Product that achieves such milestone, CytomX shall provide written notice to ImmunoGen identifying the Development Milestone achieved, and CytomX shall pay to ImmunoGen the amount set forth below within [***] of receipt of ImmunoGen's notice with respect to such Development Milestone (each such amount, a "**Development Milestone Payment**") to be payable only once regardless of how many Licensed Products achieve such Development Milestone.

Development Milestone	Payment
Dosing of first patient in a Phase 1 Clinical Study	[***]
Dosing of first patient in a Phase 2 Clinical Study	[***]
Dosing of first patient in a Phase 3 Clinical Study	[***]
Date of filing of BLA	[***]
Date of receipt of Regulatory Approval in [***]	[***]
Date of receipt of Regulatory Marketing Approval in [***]	[***]
Date of receipt of Regulatory Marketing Approval in [***]	[***]

If a clinical milestone is achieved and any previous clinical milestone has not yet been achieved for any reason, notwithstanding anything herein to the contrary such previous milestone(s) shall be deemed to have been achieved and the corresponding Development Milestone Payment set forth in the table above shall be payable simultaneously with the Development Milestone Payment for the achievement of the subsequent Milestone. All Development Milestone Payments shall be non-refundable and noncreditable.

4.1.2. **Sales Milestones**. CytomX shall pay to ImmunoGen the following one-time payments (each, a "**Sales Milestone Payment**") when aggregate Annual Net Sales of a Licensed Product in the Territory in a Calendar Year first reach the respective threshold (a "**Sales Threshold**") indicated below (each, a "**Sales Milestone**"):

Total Annual Net Sales	Sales Milestone Payment
Total Annual Net Sales at least equal 500,000,000	[***]
Total Annual Net Sales at least equal 750,000,000	[***]
Total Annual Net Sales at least equal 1,000,000,000	[***]
Total Annual Net Sales at least equal 1,500,000,000	[***]

Any Sales Milestone Payment with respect to any Calendar Year shall be payable within [***] of the end of such Calendar Year in the United States. Each Sales Milestone Payment is payable a maximum of one time only, regardless of the number of times a Licensed Product achieves a particular Sales Threshold or the number of Licensed Products that achieve a particular Sales Threshold. All Sales Milestone Payments shall be nonrefundable and noncreditable.

4.2. **Royalties**.

4.2.1. **Royalty Payments**. With respect to each Licensed Product and subject to the provisions of Section 4.2.2 hereof, CytomX shall pay ImmunoGen royalties in the amount of the applicable rates ("**Marginal Royalty Rates**") set forth below of Annual Net Sales of such Licensed Product during the Royalty Term:

Annual Net Sales	Marginal Royalty Rate for Licensed Products (% of Annual Net Sales)
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%

4.2.2. **Marginal Royalty Rate Application**. Each Marginal Royalty Rate set forth in the table above shall apply only to that portion of the Annual Net Sales of a given Licensed Product in the Territory during a given Calendar Year that falls within the indicated range.

4.2.3. **Royalty Adjustments**.

(a) Third Party Royalty Offset. Subject to Section 4.2.3(e) hereof, if, with respect to a Calendar Quarter, CytomX or any of its Affiliates or Sublicensees [***] to one or more Third Parties in consideration of a [***], in the [***] CytomX could [***] the Licensed Intellectual Property to [***] or [***] the Cytotoxic Compound portion or [***] of any Licensed Product [***] owned or exclusively licensed by such Third Party in any country (collectively, "**Third Party Payments**"), [***] then CytomX shall have the right to reduce the royalties otherwise due to ImmunoGen pursuant to Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof (but not the royalties otherwise due to ImmunoGen pursuant to Section 4.2.3(b) hereof) with respect to Net Sales in such country of such Licensed Products in such Calendar Quarter by an amount equal to [***] of the amount of such Third Party Payments. [***] Cytotoxic Compound portion [***] For the avoidance of doubt, the Parties agree and acknowledge that this Section 4.2.3(a) shall not apply with respect to royalties payable by a Party to any Third Party under any agreement in existence as of the Effective Date.

(b) Valid Claim Coverage.

(i) No Patent Coverage. Subject to Section 4.2.3(e) hereof, the royalty rates set forth in Sections 4.2.1, 4.2.3(c) and 4.2.3(d) hereof shall apply, on a country-by-country basis and Licensed Product-by-Licensed Product basis, to Net Sales of Licensed Products only where (A) such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country is Covered by a Valid Claim within the Licensed Patent Rights or (B) such Licensed Product (or any component or intermediate thereof) was manufactured in a country where the manufacture of such Licensed Product (or such component or intermediate), was, at the time of its manufacture, Covered by a Valid Claim within the Licensed

Patent Rights, regardless of the country in which such Licensed Product is sold. Subject to the other terms of this Agreement (except for Section 4.2.3(a) hereof, which shall not apply), on a country-by-country and Licensed Product-by-Licensed Product basis where and as of and when the royalty rates under Sections 4.2.1, 4.2.3(c) and 4.2.3(d) hereof do not apply as a result of this Section 4.2.3(b)(i), the royalties payable with respect to Net Sales of such Licensed Product sold by CytomX, its Affiliates and its Sublicensees in such country shall be reduced by [***] of the royalties otherwise owed to ImmunoGen pursuant to Section 4.2.1 or 4.2.3(d) hereof, as applicable, without giving effect to any royalty reduction provided in Section 4.2.3(c) hereof, using the methodology outlined in Exhibit B attached hereto. The Parties hereby acknowledge and agree that such royalties shall be in consideration of the commercial advantage, know-how and background information gained from the unpatented Licensed Know-How, including, without limitation, ImmunoGen's Confidential Information and ImmunoGen Proprietary Materials.

(ii) Applicability of Royalty Rates. For purposes of clarity, (A) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is Covered by a Valid Claim in a country within the Territory such that royalties are paid by CytomX pursuant to Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (and its manufacture, use, sale, offer for sale or importation) is no longer Covered by a Valid Claim in such country, CytomX shall pay ImmunoGen a royalty at the rate set forth in Section 4.2.1(b)(i) hereof for the portion of the Royalty Term during which no such Valid Claim Covers such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country; and (B) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is not Covered by a Valid Claim in a country within the Territory such that royalties are paid by CytomX pursuant to Section 4.2.1(b)(i) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (or its manufacture, use, sale, offer for sale or importation) becomes Covered by a Valid Claim within the Licensed Patent Rights in such country, CytomX shall pay ImmunoGen a royalty at the rates set forth in Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof, as applicable, for that portion of the Royalty Term during which such Valid Claim Covers such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country.

(iii) Definition of "Cover". A Valid Claim within the Licensed Patent Rights "**Covers**" the Licensed Product (or its manufacture, use, sale, offer for sale or importation) in a country if, but for the license granted under Section 3.1.1 hereof, the manufacture, use, sale, offer for sale or importation of the Licensed Product by CytomX or any of its Affiliates or Sublicensees in such country would infringe such Valid Claim; provided, however, that in determining whether a Valid Claim within such Licensed Patent Rights "**Covers**" (as defined above) the Licensed Product (or its manufacture, use, sale, offer for sale or importation), (A) any Valid Claim within the Licensed Patent Rights that is jointly owned by CytomX (or any of its Affiliates) with ImmunoGen (or any of its Affiliates) shall be deemed to be owned solely by ImmunoGen or an Affiliate of ImmunoGen and (B) any Valid Claim contained in [***] within the Licensed Patent Rights that has not been (1) canceled, withdrawn or abandoned or (2) [***] shall be deemed to have been issued.

(c) Loss of Market Exclusivity. Subject to Section 4.2.3(e) hereof, if, with respect to a Calendar Quarter, CytomX or any of its Affiliates or Sublicensees experiences a Loss of Market Exclusivity for a Licensed Product in any country, then CytomX shall have the right to reduce the royalties otherwise due to ImmunoGen pursuant to Section 4.2.1 or 4.2.3(d) hereof (but not the royalties otherwise due to ImmunoGen under Section 4.2.3(b) hereof) with respect to Net Sales in such country of such Licensed Products in such Calendar Quarter as described below, in each case using a methodology similar to that outlined in Exhibit B attached hereto. [***].

(d) Effect of Challenge. In further consideration of the grant by ImmunoGen of the license hereunder and except to the extent the following is unenforceable under the Applicable Laws of a particular jurisdiction where a patent application within the Licensed Patent Rights is pending or a patent within the Licensed Patent Rights is issued, if CytomX, its Affiliates or Sublicensees initiates a Challenge or induces or assists a Third Party in initiating or prosecuting a Challenge (the Licensed Patent Rights subject to such Challenge being referred to herein as the "**Challenged Patent Rights**"), then during the period that such Challenge is pending, the royalty rates set forth in Section 4.2.1 hereof shall be increased by [***] of annual Net Sales (the "**Challenge-Related Royalty Increase**") in the country(ies) in which the Challenged Patent Rights were

pending or issued (each, a "**Challenge Jurisdiction**") commencing on the date of such initiation or the date CytomX, its Affiliates or Sublicensees first induces or provides assistance to such Third Party, as applicable, but only with respect to Net Sales of Licensed Products in the applicable Challenge Jurisdiction(s). If, following the final, unappealable conclusion of a Challenge in a Challenge Jurisdiction, there remains one or more Valid Claims within the Challenged Patent Rights that would be infringed by the manufacture, use, sale, offer for sale or importation then (i) the royalty rates set forth in Section 4.2.1 hereof shall be increased by [***] of annual Net Sales (which shall be in addition to the Challenge-Related Royalty Increase) in the applicable Challenge Jurisdiction, commencing upon the final, unappealable conclusion of such Challenge and continuing for the remainder of the Royalty Term in the applicable Challenge Jurisdiction, and (ii) CytomX shall reimburse ImmunoGen for its costs and expenses (including, without limitation, reasonable attorneys' and experts' fees and expenses of litigation) incurred in responding to the Challenge. CytomX shall be required to pay such reimbursement within [***] of receiving an invoice therefor from ImmunoGen, which shall set forth in reasonable detail the basis for the charges for which ImmunoGen is seeking reimbursement. If, following the final, unappealable conclusion of a Challenge in a Challenge Jurisdiction, there remain no Valid Claims within the Challenged Patent Rights that would be infringed by the manufacture, use, sale, offer for sale or importation of Licensed Products by CytomX or any of its Affiliates or Sublicensees in such Challenge Jurisdiction in the absence of the license granted under Section 3.1.1 hereof, then ImmunoGen shall reimburse CytomX for all amounts with respect to the Challenge-Related Royalty Increase actually paid by CytomX to ImmunoGen with respect to the Challenge Jurisdiction (the "**Clawback Amount**") as follows: [***].

(e) Minimum Royalty Rate. Anything contained in this Agreement to the contrary notwithstanding, none of the reductions to royalties provided in Sections 4.2.3(a), 4.2.3(b) and 4.2.3(c) hereof, shall, individually or in the aggregate, reduce the royalties payable with respect to Net Sales of any Licensed Product sold by CytomX, its Affiliates and its Sublicensees in any country during the Royalty Term by [***] of the royalties otherwise owed to ImmunoGen pursuant to Section 4.2.1 or 4.2.3(d), as applicable, without giving effect to any royalty reduction provided in Section 4.2.3(a), 4.2.3(b) or 4.2.3(c) hereof.

4.3. **Reports and Payments**.

4.3.1. **Cumulative Royalties**. The obligation to pay royalties under Section 4.2 shall be imposed only once with respect to a single unit of a Licensed Product regardless of how many Valid Claims in Patent Rights included within the Licensed Intellectual Property would, but for this Agreement, be infringed by the use or sale of such Licensed Product in the country in which such Licensed Product is used or sold.

4.3.2. **Royalty Statements and Payments**. Within [***] after the end of each Calendar Quarter, CytomX shall deliver to ImmunoGen a report setting forth for such Calendar Quarter the following information, on a Licensed Product-by-Licensed Product basis: (a) the gross sales (if available) and the Net Sales of each Licensed Product (specifying in reasonable detail the deductions to gross sales used to calculate Net Sales, (b) the basis for any adjustments to the royalty payable for the sale of each Licensed Product, (c) the applicable exchange rate to convert each country's currency to U.S. Dollars under Section 4.3.4 hereof and (d) the royalties due hereunder for the sale of each Licensed Product. No such reports shall be due for any Licensed Product before the First Commercial Sale of such Licensed Product in the Territory. The total royalty due for the sale of Licensed Products during such Calendar Quarter shall be remitted at the time such report is delivered.

4.3.3. **No Set-Off; Taxes and Withholding**. All payments made by CytomX to ImmunoGen hereunder shall be made without set-off or counterclaim and free and clear of any taxes, duties, levies, fees or charges, except withholding taxes, if any. In the event any of the payments made pursuant to this Agreement become subject to withholding taxes under the Applicable Law of any jurisdiction, CytomX shall deduct and withhold the amount of such taxes for the account of ImmunoGen, to the extent required by Applicable Law, such amounts payable to ImmunoGen shall be reduced by the amount of taxes deducted and withheld, and CytomX shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner and promptly transmit to ImmunoGen an official tax certificate or other evidence of such tax obligations together with proof of payment from the relevant Governmental Authority of all amounts deducted and withheld sufficient to enable ImmunoGen to claim such payment of taxes. Any such withholding taxes required under Applicable Law to be paid or withheld shall be an expense of, and borne solely by, ImmunoGen. CytomX will provide ImmunoGen with reasonable assistance to enable ImmunoGen to recover such taxes as permitted by Applicable Law.

4.3.4. **Currency**. All amounts payable and calculations hereunder shall be in United States dollars, and all payments due under this Agreement shall be made by wire transfer in immediately available funds to an account designated by the

Party owed such payment. As applicable, Net Sales and any royalty deductions shall be converted into United States dollars in accordance with the CytomX Standard Exchange Rate Methodology.

4.3.5. **Overdue Payments**. Subject to the other terms of this Agreement, any payments hereunder not paid within the applicable time period set forth herein shall bear interest from the due date until paid in full, at a rate per annum equal to the lesser of (a) [***], or (b) the maximum interest rate permitted by applicable law in regard to such payments, calculated in each case from the date such payment was due through to the date on which payment is actually made; provided, however, that with respect to any disputed payments, no interest shall be due until such dispute is resolved and the interest that shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made. Such payments when made shall be accompanied by all interest so accrued. Such interest and the payment and acceptance thereof shall not negate or waive the right of ImmunoGen to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

4.4. **Maintenance of Records; Audits**.

4.4.1. **Record Keeping**. CytomX shall keep, and cause its Affiliates and Sublicensees to keep, accurate books of account and records in connection with the sale of Licensed Products, in sufficient detail to permit accurate determination of all figures necessary for verification of royalties to be paid hereunder. CytomX shall maintain, and cause its Affiliates and Sublicensees to maintain, such records for a period of at least [***] after the end of the Calendar Year in which they were generated.

4.4.2. **Audits**. Upon [***] prior written notice from ImmunoGen, CytomX shall permit an independent certified public accounting firm of internationally recognized standing selected by ImmunoGen and reasonably acceptable to CytomX to examine, at ImmunoGen's sole expense, the relevant books and records of CytomX, its Affiliates and Sublicensees during the period covered by such examination, as may be reasonably necessary to verify the accuracy of the reports submitted by CytomX in accordance with Section 4.3 hereof and the payment of royalties hereunder. An examination by ImmunoGen under this Section 4.4.2 shall occur not more than once in any Calendar Year and shall be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. The accounting firm shall be provided access to such books and records at the facilities where such books and records are kept and such examination shall be conducted during normal business hours.

CytomX may require the accounting firm to sign a reasonable and customary non-disclosure agreement before providing the accounting firm access to CytomX's facilities or records. Upon completion of the audit, the accounting firm shall provide both ImmunoGen and CytomX a written report disclosing whether the reports submitted by CytomX are correct or incorrect, whether the royalties paid are correct or incorrect and, in each case, the specific details concerning any discrepancies. CytomX and ImmunoGen shall each have the right to request a further determination by such accounting firm as to matters which such Party disputes within [***] following receipt of such report. The Party initiating a dispute will provide the other Party and the accounting firm with a reasonably detailed statement of the grounds upon which it disputes any findings in the written report and the accounting firm shall undertake to complete such further determination within [***] after the dispute notice is provided, which determination shall be limited to the disputed matters and provided to both Parties. The Parties shall use reasonable efforts, through the participation of finance representatives of both Parties, to resolve any dispute arising in relation to the audit by good faith discussion. The results of any such audit, reflecting the accounting firm's determination of any disputed matters, shall be binding on both Parties.

4.4.3. **Underpayments/Overpayments**. If such accounting firm concludes that additional royalties were due to ImmunoGen, CytomX shall pay the additional royalties (plus interest thereon at the rate provided in Section 4.3.5 hereof) within [***] of the date CytomX receives such accountant's written report so concluding. If such underpayment exceeds [***] of the royalties that were to be paid [***], CytomX also shall reimburse ImmunoGen for all reasonable charges of such accountants for conducting the audit. If such accounting firm concludes that CytomX overpaid royalties, ImmunoGen shall repay such amount in full within [***] of the receipt of such accountant's report, or, at CytomX's option, it shall be entitled to offset all such overpayments against any outstanding or future amounts payable to ImmunoGen hereunder until CytomX has received full credit for such overpayments.

4.4.4. **Confidentiality**. All financial information that is subject to review under this Section 4.4 shall be deemed to be the Confidential Information of the audited Party subject to the provisions of Article 6 hereof.

5. INTELLECTUAL PROPERTY.

5.1. **Inventions**.

5.1.1. **Ownership**. All determinations of inventorship under this Agreement shall be made in accordance with the laws of the United States. Determinations of ownership of intellectual property hereunder will be made in accordance with inventorship.

(a) **ImmunoGen Solely Owned Technology**. As between the Parties, ImmunoGen shall be the sole owner of all Licensed Intellectual Property (other than Joint Program Technology and Joint TAP Platform Improvements included therein and any Joint Patent Rights).

(b) **CytomX Solely Owned Technology**. As between the Parties, CytomX shall be the sole owner of all CytomX Program Technology and CytomX TAP Platform Improvements and any Patent Rights claiming such CytomX Program Technology and CytomX TAP Platform Improvements.

(c) **Jointly Owned Technology**. All Joint Program Technology and Joint TAP Platform Improvements (including, without limitation, all Joint Patent Rights) shall be jointly owned by the Parties, with each Party holding an undivided one-half interest therein. Subject to the Parties' other rights and obligations under this Agreement and any then-outstanding License Agreement, each Party shall be [***].

5.1.2. **Disclosure**. CytomX shall, no less than [***] before filing any initial Patent Right disclosing CytomX TAP Platform Improvements or any Joint Program Technology or Joint TAP Platform Improvements or any other Patent Right that contains ImmunoGen's Confidential Information, provide a copy of such disclosure to ImmunoGen. ImmunoGen shall, no less than [***] before filing any initial Patent Right disclosing Joint Program Technology or Joint TAP Platform Improvements or any other Patent Right that contains CytomX's Confidential Information, provide a copy of such disclosure to CytomX. In each case, such disclosures to the other Party shall include all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates', employees, agents or independent contractors describing such invention and the proposed inventorship of any new Patent Rights intended to be filed. The other Party shall promptly raise any issue regarding inventorship of any such Patent Rights, and the Parties agree to determine the correct inventorship of any Patent Rights in accordance with Section 10.10.1 hereof.

5.2. **Filing, Prosecution and Maintenance of Patent Rights**.

5.2.1. **Cooperation**. Without limiting any other rights and obligations of the Parties under this Agreement, the Parties shall cooperate with respect to the timing, scope and filing of patent applications and patent claims relating to any Joint Program Technology to preserve and enhance the patent protection for Licensed Products, including the manufacture and use thereof and to allow the Party owning the technology underlying an Improvement to have reasonable input to preserve and enhance its patent portfolio and patenting strategy.

5.2.2. **ImmunoGen Patent Rights**. ImmunoGen, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, all Licensed Patent Rights (other than Licensed Patent Rights claiming Joint Program Technology or Joint TAP Platform Improvements). With respect to any Licensed Patent Rights disclosing or claiming Program Technology (other than TAP Platform Improvements included in the Program Technology), ImmunoGen shall keep CytomX reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights and shall consider in good faith any recommendations made by CytomX in regard to the filing, prosecution or maintenance of any such Patent Right. ImmunoGen shall consult with CytomX in the filing, prosecution and maintenance of any ImmunoGen Patent Right related to Improvements to CytomX Technology and shall not unreasonably refuse to incorporate any recommendations made by CytomX in regard to such filing, prosecution or maintenance. To the extent ImmunoGen decides not to file, prosecute or maintain any Licensed Patent Right that ImmunoGen reasonably believes covers or may cover the Development, Manufacture, Commercialization or use of any Licensed Product (other than any such Patent Right owned or co-owned by a Third Party licensor or the filing of a new initial patent application) and except in the case in which the decision not to file, prosecute or maintain such Patent Right is made by ImmunoGen in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the Licensed Intellectual Property, ImmunoGen shall provide CytomX with [***] prior written notice to such effect (*i.e.*, at least [***] prior to the date on which any such filing is intended or due or on which any other such action is due), in which event CytomX may elect to file or continue prosecution or maintenance of such Patent Right, at CytomX's expense, and ImmunoGen, upon CytomX's written request received within such [***] period, shall execute such documents and perform such acts, at CytomX's expense, as may be reasonably necessary to permit CytomX to file, prosecute and maintain such Patent Right; provided that CytomX (a) shall keep ImmunoGen reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights, (b) shall consider in good faith any recommendations made by ImmunoGen in regard to such filing, prosecution and maintenance of such Patent Right, and (c) shall not unreasonably refuse to incorporate any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance. Any such Patent Right that is prosecuted or maintained by CytomX pursuant to this Section 5.2.2 (a) will continue to be owned by ImmunoGen, and (b) subject to the Parties' other rights and obligations under this Agreement, may be licensed by ImmunoGen to one or more Third Parties. For avoidance of doubt, "prosecution"

as used in this Section 5.2 includes oppositions, nullity or revocation actions, post-grant reviews and other patent office proceedings involving the referenced Patent Rights.

5.2.3. **CytomX Patent Rights**. CytomX, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, any Patent Rights comprised in the CytomX TAP Platform Improvements. CytomX shall consult with ImmunoGen in the filing, prosecution and maintenance of any Patent Right related to CytomX TAP Platform Improvements (including, without limitation, keeping ImmunoGen reasonably informed of the status thereof), shall consider in good faith any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance, and shall not unreasonably refuse to incorporate any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance. Nothing contained in this Agreement shall be construed as obligating CytomX to file any patent application in any country or other jurisdiction relating to CytomX TAP Platform Improvements.

5.2.4. **Joint Patent Rights**. If not already established under the Research Collaboration Agreement, prior to either Party filing any Patent Right disclosing Joint Program Technology or Joint TAP Platform Improvements, the Parties shall establish a patent committee (the "**Patent Committee**") comprised of at least one (1) representative of each Party for the purpose of facilitating the preparation, filing, prosecution, maintenance and defense of Joint Patent Rights. As agreed upon by the Parties, meetings of the Patent Committee may be face-to-face or may be conducted by teleconferences or videoconferences, from time to time as needed. The Patent Committee will be the forum through which the Parties coordinate their respective obligations to each other described in Sections 5.2.2 and 5.2.3 hereof and in this Section. In the event the Parties conceive or generate any Joint Program Technology or Joint TAP Platform Improvements, the Parties shall promptly meet to discuss and determine, based on mutual consent, whether to seek patent protection thereon, which Party will control filing, prosecution and maintenance of such patents and how to pay for the filing, prosecution and maintenance of such patents. It is presumed that CytomX will control filing, prosecution and maintenance of Joint Patent Rights claiming Joint Program Technology or Joint Unconjugated Probody Platform Improvements, and that ImmunoGen will control filing, prosecution and maintenance of Joint Patent Rights claiming Joint TAP Platform Improvements or Joint Conjugation Probody Platform Improvements. Neither Party will file any Joint Patent Right without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. The Party controlling filing and prosecution of any such Joint Patent Right (a) shall keep the other Party informed regarding each

Patent Right, (b) shall consider in good faith any recommendations made by the other Party in regard to the filing, prosecution or maintenance of any such Patent Right and (c) shall not unreasonably refuse to incorporate any recommendations made by the other Party in regard to such filing, prosecution or maintenance.

5.2.5. **Improper Patent Filings**. Each Party agrees that, without the prior written consent of the other Party, neither it nor any of its Affiliates will [***].

5.2.6. **Liability**. Except for breaches of Section 5.2.5 hereof, to the extent that a Party is obtaining, prosecuting or maintaining a Patent Right included in the Licensed Intellectual Property or Joint Patent Rights or otherwise exercising its rights under this Section 5.2, such Party, and its Affiliates, employees, agents or representatives, shall not be liable to the other Party in respect of any act or omission on the part of any such Party, or its Affiliates, employees, agents or representatives, in connection with such activities undertaken in good faith.

5.2.7. **Extensions**. The decision to file for a patent term extension and particulars thereof (including which patent(s) to extend) will be made with the goal of obtaining the optimal patent term and scope of protection for Licensed Products. If a Party wishes to file for a patent term extension based on Patent Rights owned by the other Party, it will so notify the other Party, and the Parties will meet to discuss and determine whether and how to proceed with such patent term extension.

5.3. **Joint Research Agreement**. This Agreement shall be understood to be a joint research agreement under 35 U.S.C. § 103(c)(3) entered into for the purpose of Developing Licensed Products.

5.4. **Enforcement of Patent Rights**.

5.4.1. **Notice**. If either ImmunoGen or CytomX becomes aware of any infringement anywhere in the world of any issued Patent Right within the Licensed Intellectual Property or Joint Patent Rights by any Third Party (an "**Infringement**"), such Party shall promptly notify the other Party in writing to that effect.

5.4.2. **Infringement of Certain Patent Rights**.

(a) In the event of any Infringement of a Patent Right included in the Licensed Intellectual Property (including, without limitation, Joint Patent Rights included in the Joint TAP Platform Improvements and Joint Conjugation Probody Platform Improvements but excluding Joint Patent Rights included in the Joint Program Technology (other than Joint

Conjugation Probody Platform Improvements)), ImmunoGen shall have the first right to take action to obtain a discontinuance of Infringement or bring suit against a Third Party infringer of such Patent Right within [***] from the date of notice.

(b) ImmunoGen shall bear all the expenses of any suit brought by it claiming infringement of any such Patent Right. CytomX shall reasonably cooperate with ImmunoGen in any such suit and shall have the right to consult with ImmunoGen and to participate in and be represented by independent counsel in such litigation at its own expense. ImmunoGen shall incur no liability to CytomX as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such Patent Right invalid or unenforceable, and ImmunoGen shall not, without CytomX's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), enter into any settlement or consent decree that admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(c) If ImmunoGen has not obtained a discontinuance of such Infringement by, or filed suit against, any such Third Party infringer within the [***] period set forth in subsection (a) above, then CytomX shall have the right, but not the obligation, to bring suit against such Third Party infringer, at CytomX's sole expense, under any Licensed Intellectual Property. ImmunoGen shall reasonably cooperate with CytomX in any such litigation, including being joined as a party, at CytomX's expense, provided that ImmunoGen may, at its sole discretion, elect to be represented by independent counsel in such litigation at its own expense. CytomX shall incur no liability to ImmunoGen as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such ImmunoGen Patent Right invalid or unenforceable; and CytomX shall not, without ImmunoGen's prior written consent (which ImmunoGen may withhold in its sole discretion), enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to ImmunoGen or admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(d) In the event of any Infringement of a Joint Patent Right included in the Joint Program Technology (other than Joint Conjugation Probody Platform Improvements), CytomX shall have the first right to take action to obtain a discontinuance of Infringement or bring suit against a Third Party infringer of such Patent Right within [***] from the date of notice.

(e) CytomX shall bear all the expenses of any suit brought by it claiming infringement of any such Patent Right. ImmunoGen shall reasonably cooperate with CytomX in any such suit and shall have the right to consult with CytomX and to participate in and be represented by independent counsel in such litigation at its own expense. CytomX shall incur no liability to ImmunoGen as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such Patent Right invalid or unenforceable, and CytomX shall not, without ImmunoGen's prior written consent, enter into any settlement or consent decree that admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(f) If CytomX has not obtained a discontinuance of such Infringement by, or filed suit against, any such Third Party infringer within the [***] period set forth in subsection (d) above, then ImmunoGen shall have the right, but not the obligation, to bring suit against such Third Party infringer, at ImmunoGen's sole expense, under any CytomX TAP Platform Improvements. CytomX shall reasonably cooperate with ImmunoGen in any such litigation, including being joined as a party, at ImmunoGen's expense, provided that CytomX may, at its sole discretion, elect to be represented by independent counsel in such litigation at its own expense. ImmunoGen shall incur no liability to CytomX as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such CytomX Patent Right invalid or unenforceable; and ImmunoGen shall not, without CytomX's prior written consent (which CytomX may withhold in its sole discretion), enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to CytomX or admits the invalidity or unenforceability or limits the scope of any such Patent Right

(g) The enforcing Party shall keep the other Party reasonably informed of all material developments in connection with any such suit. Any recoveries obtained by either Party as a result of any proceeding against such a Third Party infringer ("**Monies**") shall be allocated as follows:

(i) the Monies will be distributed first to the controlling Party for its out-of-pocket litigation costs and expenses incurred in connection with such litigation; then

(ii) the Monies will then be distributed to the other Party for its out-of-pocket litigation costs and expenses incurred in connection with such litigation; then

(iii) [***]; or

(iv) [***]; or

(v) [***]; then

(vi) [***]; or

(vii) [***].

(h) **Other Infringement**. For any infringement of Patent Rights owned by CytomX or licensed by CytomX from Third Parties, CytomX retains the sole right (as between the Parties), but not the obligation, to enforce such Patent Rights.

(i) **Infringement of Joint Patent Rights**. With respect to any notice of a Third Party infringer of any Joint Patent Right other than a Patent Right included in the Joint Program Technology or Joint TAP Platform Improvements, the Parties shall meet as soon as reasonably practicable to discuss such infringement and determine an appropriate course of action and the Parties' respective rights and responsibilities with respect to any enforcement thereof.

5.5. **Response to Biosimilar Applicants**.

5.5.1. Notice. In the event that CytomX (a) receives a copy of a Biosimilar Application, whether or not such copy is provided under any Applicable Laws (including the BPCIA, the United States Patient Protection and Affordable Care Act, implementing FDA regulations and guidance or similar foreign laws or regulations) applicable to the approval or manufacture of any biosimilar or interchangeable biological product (a "**Proposed Biosimilar Product**") for which a Licensed Product is a "reference product," as such term is used in the BPCIA, or (b) otherwise becomes aware that such a Biosimilar Application has been filed (such as in an instance described in Section 351(l)(9)(C) of the PHSA), then CytomX shall promptly provide ImmunoGen with written notice.

5.5.2. Access to Confidential Information. Upon written request from ImmunoGen and to the extent permitted by Applicable Laws, CytomX shall provide ImmunoGen with confidential access to those portions of the Biosimilar Application and such other information provided to CytomX by the Third Party that submitted the Biosimilar Application (the "**Applicant**") that describe the Linker and Payload of the Proposed Biosimilar Product or the method(s) of conjugating the cell-binding moiety of the Proposed Biosimilar Product to its Payload; provided, however, that prior to receiving the Biosimilar Application and such confidential information, ImmunoGen shall provide notice to CytomX and the Applicant confirming its agreement to be subject to the confidentiality provisions in Section 351(l)(1)(B)(iii) of the PHSA. For purposes of clarity, the Parties acknowledge and agree that ImmunoGen has retained a right to assert any patent within the Licensed Patent Rights and participate in litigation concerning any such patent.

5.5.3. Proposed Patent List.

(a) Preparation of Proposed Patent List. Not later than [***] days from the date of receipt by CytomX of a copy of a Biosimilar Application and related manufacturing information, CytomX, with cooperation from ImmunoGen, shall prepare and provide ImmunoGen with a list (the "**Proposed Patent List**") of (i) those patents within the Licensed Patent Rights that CytomX reasonably believes would be infringed by the manufacture and/or sale of the Proposed Biosimilar Product and (ii) those patents within the Licensed Patent Rights, if any, that CytomX would be willing to sublicense to such Applicant in accordance with the terms of this Agreement. As soon as practicable following the date of receipt by ImmunoGen of the Proposed Patent List, ImmunoGen and CytomX shall discuss in good faith the patents within the Licensed Patent Rights to be included on the Proposed Patent List and CytomX shall consider in good faith ImmunoGen's proposals for changes to the Proposed Patent List with respect to the patents within the Licensed Patent Rights. Not later than the end of the period specified by Applicable Laws , CytomX shall provide the Applicant with a copy of the Proposed Patent List; provided, however, that CytomX shall incorporate certain ImmunoGen requests in accordance with Section 5.5.3(d) hereof. Notwithstanding the enforcement rights with respect to the Licensed Patent Rights set forth in Section 5.2.2 hereof, CytomX shall have the right to include any of the patents within the Licensed Patent Rights on the Proposed Patent List to the extent that CytomX reasonably believes that a claim of patent infringement for such patent could be asserted by either ImmunoGen or CytomX; provided, however, that the right to control any suit or proceeding in which such a claim is asserted shall be as set forth in Section 5.5.4 hereof.

(b) Disclosure of Applicant's Response. Provided that ImmunoGen has agreed to comply with the confidentiality provisions in Section 351(l)(1)(B)(iii) of the PHSA and to the extent permitted by Applicable Laws, CytomX shall provide to ImmunoGen the portion of the Applicant Response (as defined below) pertaining to the Licensed Patent Rights no later than [***] days from the date of receipt by CytomX of a response from the Applicant with regard to any patent within the Licensed Patent Rights included on the Proposed Patent List, including any response required by the BPCIA (the "**Applicant Response**").

(c) Preparation of CytomX Response. Not later than [***] days from the date of receipt by CytomX of the Applicant Response, CytomX, with cooperation and assistance from ImmunoGen, shall prepare and provide ImmunoGen with a proposed response with respect to the Licensed Patent Rights (the "**CytomX Response**") that (i) describes on a claim-by-claim basis, how each patent within the Licensed Patent Rights on the Proposed Patent List would be infringed by the commercial marketing of the Proposed Biosimilar Product, and (ii) responds to Applicant's claims, if any, that the patents within the Licensed Patent Rights on the Proposed Patent List are invalid or unenforceable. The CytomX Response shall include only the foregoing and shall not be construed to include any proposed response to the Applicant relating to any patents other than the Licensed Patent Rights; further, any actual response to the Applicant under the BPCIA and all decisions relating to subsequent procedures under the BPCIA with regard to any patent other than those included within the Licensed Patent Rights shall be within the sole discretion of CytomX. As soon as practicable following the date of receipt by ImmunoGen of the proposed CytomX Response, the Parties shall discuss in good faith the statements in the proposed CytomX Response and CytomX shall consider in good faith ImmunoGen's proposals for changes to the CytomX Response. Not later than the end of the period specified by Applicable Laws, CytomX shall provide the Applicant with a copy of the CytomX Response; provided, however, that CytomX shall incorporate certain ImmunoGen requests in accordance with Section 5.5.3(d) hereof.

(d) Inclusion of Licensed Patent Rights or Responsive Information. Provided that CytomX is legally able under Applicable Law to provide ImmunoGen with a copy of the Biosimilar Application (and related manufacturing agreement) and ImmunoGen has provided notice to CytomX and Applicant confirming its agreement to be subject to the confidentiality provisions of Section 351(l)(1)(B)(iii) of the PHSA, if ImmunoGen requests in writing to either (i) include a patent in the Proposed Patent List that was not included in CytomX's initial Proposed Patent List provided to ImmunoGen by CytomX pursuant to Section 5.5.3(a) hereof or (ii) include responsive information with respect to any patent within the Licensed Patent Rights in the CytomX Response that was not included in CytomX's initial CytomX Response provided to ImmunoGen pursuant to Section5.5.3(c) hereof, then, absent manifest error, CytomX shall include such patent in the Proposed Patent List and such responsive information in the CytomX Response provided to Applicant, as applicable; provided, however, that ImmunoGen shall indemnify CytomX in accordance with Section 9.2 hereof to the extent any submissions requested by ImmunoGen are determined to have been made negligently or in bad faith.

(e) Negotiation; ImmunoGen Rights. As soon as possible following the date on which CytomX provides the CytomX Response to the Applicant, CytomX shall commence good faith negotiations with Applicant for a period of not more than [***] days (the "**Negotiation Period**") in an effort to reach agreement on the patents on the Proposed Patent List (the "**Infringed Patent List**") that will be the subject to an Immediate Patent Infringement Action; provided, however, that if the Proposed Patent List includes both patents within the Licensed Patent Rights and patents that are not within the Licensed Patent Rights, then CytomX shall not agree to the inclusion in the Infringed Patent List of any patents within the Licensed Patent Rights without the prior written consent of ImmunoGen, which consent shall not be unreasonably withheld, conditioned or delayed. If CytomX and Applicant fail to reach agreement under Section 351(l)(4)(A) of the PHSA on the Infringed Patent List, CytomX shall have the sole right to determine under Section 351(l)(5)(B) of the PHSA which patents of those on the Proposed Patent List should be the subject of an Immediate Patent Infringement Action; provided, however, that if the Proposed Patent List [***], then CytomX shall [***]. Within [***] days following the exchange of such lists by CytomX and the Applicant, CytomX shall, to the extent legally permissible, provide ImmunoGen with a copy of the portion of the combined Infringed Patent List containing patents within the Licensed Patent Rights that will be the subject of an Immediate Patent Infringement Action.

(f) Supplements to Proposed Patent List. ImmunoGen shall provide CytomX with a copy of any U.S. patent within the Licensed Patent Rights that is issued after CytomX has provided the Proposed Patent List to the Applicant within [***] day after such issuance. As soon as practicable following the date of receipt by CytomX of any such patent, ImmunoGen and CytomX shall discuss in good faith whether such patent would be infringed by the manufacture and/or sale of the Proposed Biosimilar Product. CytomX shall provide the Applicant with a supplement to the Proposed Patent List to include such patent not later than [***] days after the issuance of such patent if CytomX reasonably believes that a claim of patent infringement for such patent could be asserted by either ImmunoGen or CytomX or if ImmunoGen, absent manifest error, requests that CytomX supplement the Proposed Patent List to include such patent provided, however, that ImmunoGen shall indemnify CytomX in accordance with Section 9.2 hereof to the extent any supplement submissions requested by ImmunoGen are determined to have been made negligently or in bad faith.

5.5.4. Claims, Suits and Proceedings.

(a) Immediate Patent Infringement Action. With respect to any patents within the Licensed Patent Rights or any Patent Rights claiming CytomX TAP Platform Improvements, Joint Program Technology or Joint TAP Platform Improvements that are to be the subject of an Immediate Patent Infringement Action, the Parties' respective rights and obligations with respect to the litigation of such patents (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such Immediate Patent Infringement Action, and obligations to pay legal costs and expenses with respect to such Immediate Patent Infringement Action) shall be as set forth in Section 5.4.2 hereof, except that the Party having the first right to file a claim for Infringement against the Applicant with respect to any such patent subject to an Immediate Patent Infringement Action shall file such claim within [***] days after agreement is reached as to the Infringed Patent List under Section 351(l)(4) or the exchange of the lists under Section 351(l)(5)(B) of the PHSA, as applicable.

(b) Pre-Marketing Litigation. Either Party shall, within [***] days of receiving any notice of commercial marketing provided by the Applicant pursuant to Section 351(l)(8)(A) of the PHSA (the "**Premarket Notice**"), notify the other Party. Thereafter, the Parties' respective rights and obligations with respect to any litigation pursuant to Section 351(l)(8)(B) of the PHSA (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof.

(c) Cooperation; Standing. If a Party with the right to initiate legal proceedings under this Section 5.5.4 lacks standing to do so (or lacks the right under the BPCIA to do so) and the other Party has standing (or the sole right under the BPCIA) to initiate such legal proceedings, such Party with standing shall initiate such legal proceedings at the request and expense of the other Party.

5.5.5. Invalidity or Unenforceability Defenses or Actions. In the event that the Applicant asserts, as a defense or as a counterclaim in any infringement action under Section 5.5.4 hereof, that any of the Licensed Patent Rights or any Patent Rights claiming CytomX TAP Platform Improvements, Joint Program Technology or Joint TAP Platform Improvements is invalid or unenforceable,

then the Parties' respective rights and obligations with respect to the response to such defense or the defense against such counterclaim, as applicable, (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof; provided that for these purposes any such defense or counterclaim shall be deemed to be an Infringement. In all other cases, including any declaratory judgment action or similar action or claim filed by an Applicant asserting that any of the Licensed Patent Rights or any Patent Rights claiming CytomX TAP Platform Improvements, Joint Program Technology or Joint TAP Platform Improvements is invalid or unenforceable (as in a declaratory judgment action brought by the Applicant following the Premarket Notice), then the Parties' respective rights and obligations with respect to such action (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof; provided that for these purposes any such case shall be deemed to be an Infringement.

5.5.6. Changes in Applicable Law. The Parties have agreed to the provisions of this Section 5.5 on the basis of the BPCIA and other applicable laws and regulations in effect as of the Effective Date. If there are any material changes to the BPCIA or other Applicable Laws that would affect these provisions, the Parties will discuss amendments to this Section 5.5 in good faith.

5.6. **Interference, Opposition, Revocation and Declaratory Judgment Actions**. If the Parties mutually determine that, based upon the review of a Third Party's patent or patent application or other intellectual property rights, it may be desirable in connection with any Licensed Product to provoke or institute an interference, opposition, revocation, post-grant review or other patent office proceedings or declaratory judgment action with respect thereto, then the Parties shall consult with one another and shall reasonably cooperate in connection with such an action. Each Party shall retain all rights to control any actions initiated prior to the Effective Date.

5.7. **Infringement of Third Party Patent Rights**. If the Development, Manufacture, use or Commercialization of any Licensed Product is alleged by a Third Party to infringe a Third Party's patent or other intellectual property rights, the Party becoming aware of such allegation shall promptly notify the other Party. CytomX shall have the right to take such action as it deems appropriate in response to such allegation, and shall be solely responsible for all damages, costs and expenses in connection therewith, subject to Article 9 hereof.

6. CONFIDENTIALITY

6.1. **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Parties agree that, during the Term and for [***] thereafter, each Party, in its capacity as the Receiving Party shall: (a) keep the Disclosing Party's Confidential Information confidential; (b) not disclose, or permit the disclosure of, the Disclosing Party's Confidential Information; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, in each case, except for the performance of its obligations or exercise of its rights under this Agreement, provided, however, that the foregoing obligations shall not apply, or shall cease to apply, to the extent that such Confidential Information (i) was already known by the Receiving Party or its Affiliates (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by the Disclosing Party; (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party or its Affiliates or any of their respective Representatives in breach of its obligations under this Agreement; (iv) was disclosed to the Receiving Party or its Affiliates, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party ; or (v) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information of the Disclosing Party.

6.2. **Authorized Disclosure**.

6.2.1. **Disclosure to Party Representatives**. Notwithstanding the foregoing provisions of Section 6.1 hereof, the Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the Receiving Party's Representatives who (a) have a need to know such Confidential Information in connection with the performance of the Receiving Party's obligations or the exercise of the Receiving Party's rights under this Agreement and (b) have agreed in writing to non-disclosure and non-use provisions with respect to such Confidential Information that are at least as restrictive as those set forth in this Article 6.

6.2.2. **Disclosure to Third Parties**.

(a) Notwithstanding the foregoing provisions of Section 6.1 hereof, the Parties may disclose Confidential Information belonging to the other Party:

(i) to Governmental Authorities to the extent reasonably necessary to obtain or maintain INDs or Regulatory Approvals for any Licensed Product and in order to respond to inquiries, requests, investigations, orders or subpoenas of Governmental Authorities relating to this Agreement;

(ii) to outside consultants, contractors, advisory boards, managed care organizations, and non-clinical and clinical investigators, in each case to the extent reasonably necessary to Develop, Manufacture, use or Commercialize any Licensed Product under reasonable obligations of confidentiality;

(iii) subject to Section 5.2 hereof, to the extent reasonably necessary, in connection with filing or prosecuting Patent Rights as permitted by this Agreement;

(iv) to the extent reasonably necessary, in connection with prosecuting or defending litigation as permitted by this Agreement;

(v) regarding the existence of this Agreement, this Agreement itself or the material and financial terms of this Agreement, (A) to its accountants, lawyers, and other advisers, and (B) to actual or potential investors, lenders, licensors, licensees, acquirers, investment bankers, or agents of the foregoing in connection with a financing, licensing transaction, merger, or acquisition, in each case (A)-(B) under confidentiality obligations no less restrictive than those set forth in this Agreement, provided that ImmunoGen shall not disclose the identity of the Licensed Target under clause (B) without the prior written consent of CytomX;

(vi) subject to Section 6.3.2 hereof, in connection with or included in scientific presentations and publications relating to Licensed Products, including abstracts, posters, journal articles and the like, and posting results of and other information about clinical trials to clinicaltrials.gov or PhRMA websites; and

(vii) to the extent necessary in order to enforce its rights under this Agreement.

(b) In the event a Party deems it reasonably necessary to disclose Confidential Information belonging to the other Party pursuant to Section 6.2.2(a)(i) hereof, the Disclosing Party shall to the extent possible give reasonable advance written notice of such disclosure to the other Party and take all reasonable measures to ensure confidential treatment of such information.

(c) Data generated by CytomX using Licensed Products shall not be considered Confidential Information of ImmunoGen, and, therefore, not subject to this Article 6.

6.2.3. **SEC Filings and Other Disclosures**. Notwithstanding any provision of this Agreement to the contrary, either Party may disclose the existence or terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with Applicable Law. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 6.2.3, the Parties will consult with one another on the terms of this Agreement to be redacted in making any such disclosure. Further, if a Party discloses this Agreement or any of the terms hereof in accordance with this Section 6.2.3, such Party shall, at its own expense, use Commercially Reasonable Efforts to seek such confidential treatment of confidential portions of this Agreement and such other terms, as may be reasonably requested by the other Party.

6.3. **Public Announcements; Publications**.

6.3.1. **Announcements**. Except as may be expressly permitted under Section 6.2.3, neither Party will make any public announcement regarding the existence or terms of this Agreement without the prior written approval of the other Party. For the sake of clarity, nothing in this Agreement shall prevent either Party from making any public disclosure relating to this Agreement if the contents of such public disclosure have previously been made public other than through a breach of this Agreement by the issuing Party or its Affiliates. The Parties shall mutually agree to one or more press releases regarding the signing of this Agreement following the Effective Date. The Parties agree that each Party may issue future announcements concerning CytomX's achievement of any significant milestones, including the selection of a clinical candidate, under this Agreement, provided that the content of any such announcement has been mutually agreed upon by the Parties.

6.3.2. **Publications**. The Parties acknowledge that scientific publications and presentations must be strictly monitored to prevent any adverse effect from premature publication or dissemination of results of the activities hereunder. Each Party (in such capacity the "**Publishing Party**") agrees that, except as required by Applicable Laws, it shall not publish or present, or permit to be published or presented, any results of the Development, Manufacture, use or Commercialization of a Licensed Product to the extent such results refer to, derive from or otherwise relate to the Licensed Intellectual Property (the "**Covered Results**"), without the prior review by and approval of the other Party (in such capacity, the "**Non-Disclosing Party**"), which approval shall not be unreasonably

withheld; provided that it shall not be deemed unreasonable for CytomX to withhold its consent to any request by ImmunoGen to publish or disseminate Covered Results prior to the publication or dissemination of such Covered Results by CytomX. The Publishing Party shall submit to the Non-Disclosing Party for review and approval any proposed academic, scientific and medical publication or public presentation which contains Covered Results or otherwise contains the Non-Disclosing Party's Confidential Information; provided that the foregoing requirement shall apply to CytomX only to the extent any such proposed publication or presentation would refer to, describe or otherwise disclose Confidential Information of ImmunoGen (including, without limitation, any non-public Licensed Intellectual Property). In addition, each Party shall submit to the other Party for review and approval any proposed publication or public presentation relating to data generated under the Research Program. In both instances, such review and approval will be conducted for the purposes of preserving the value of the Licensed Intellectual Property and determining whether any portion of the proposed publication or presentation containing the Non-Disclosing Party's Confidential Information should be modified or deleted. Written copies of such proposed publication or presentation required to be submitted hereunder shall be submitted to the Non-Disclosing Party no later than [***] before submission for publication or presentation (the "**Review Period**"). The Non-Disclosing Party shall provide its comments with respect to such publications and presentations within [***] after its receipt of such written copy, and the Publishing Party shall delete any Confidential Information of the Non-Disclosing Party upon request. The Review Period may be extended for an additional [***] in the event the Non-Disclosing Party can, within [***] of receipt of the written copy, demonstrate reasonable need for such extension, including for the preparation and filing of patent applications. The Parties will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication governed by this Section 6.3.2.

6.3.3. **Integration**. As to the subject matter of this Agreement, this Article 6 supersedes any confidential disclosure agreements between the Parties, including, without limitation, the Confidentiality Agreement and the confidentiality provisions of the Research Collaboration Agreement. Any confidential information of a Party disclosed under the Confidentiality Agreement or the Research Collaboration Agreement relating to the subject matter of this Agreement shall be treated as Confidential Information of such Party hereunder, subject to the terms of this Article 6.

7. REPRESENTATIONS AND WARRANTIES.

7.1. **Mutual Representations and Warranties**. Each of CytomX and ImmunoGen hereby represents and warrants to the other that:

7.1.1. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

7.1.2. the execution, delivery and performance of this Agreement by such Party has been duly authorized by all requisite action under the provisions of its charter, bylaws and other organizational documents, and does not require any action or approval by any of its shareholders or other holders of its voting securities or voting interests;

7.1.3. it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

7.1.4. this Agreement has been duly executed and is a legal, valid and Binding Obligation on it, enforceable against it in accordance with its terms; and

7.1.5. the execution, delivery and performance by such Party of this Agreement and its compliance with the terms and provisions hereof does not and will not conflict with or result in a breach of or default under any Binding Obligation existing as of the Effective Date.

7.2. **Representations and Warranties of ImmunoGen**. Except as set forth in a written disclosure letter (the "**Disclosure Letter**") delivered by ImmunoGen to CytomX within [***] after the Effective Date (which shall be deemed Confidential Information of ImmunoGen), ImmunoGen hereby represents and warrants to CytomX that as of the Effective Date:

7.2.1. to its Knowledge, (a) the issued and unexpired patents within the Licensed Intellectual Property are valid and enforceable patents and (b) ImmunoGen has received no written notice from a Third Party challenging or threatening to challenge the extent, validity or enforceability of any Licensed Patent Rights;

7.2.2. to its Knowledge, ImmunoGen has received no written notice from a Third Party claiming that the use, practice or application of the Licensed Intellectual Property pursuant to the license granted hereunder to CytomX will infringe the issued patents of any such Third Party (excluding, for clarity, any potential infringement that might arise solely as a result of the combination of any Licensed Intellectual Property with any other technology or intellectual property); and

7.2.3. there is no (a) claim, demand, suit, proceeding, arbitration, inquiry, investigation or other legal action of any nature, civil, criminal, regulatory or

otherwise, pending or, to its Knowledge, threatened against ImmunoGen or any of its Affiliates or (b) judgment or settlement against or owed by ImmunoGen or any of its Affiliates, in each case in connection with the Licensed Intellectual Property or relating to the transactions contemplated by this Agreement

For purposes of this Section 7.2, "**Knowledge**" means the actual knowledge (without having conducted, or having any duty to conduct, any specific inquiry) of the following ImmunoGen employees: (i) any "executive officer" (as defined in Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended) [***].

7.3. **Government Approvals**. Each of CytomX and ImmunoGen shall cooperate with the other Party and use Commercially Reasonable Efforts to make all registrations, filings and applications, to give all notices and to obtain as soon as practicable all governmental or other consents, transfers, approvals, orders, qualifications authorizations, permits and waivers, if any, and to do all other things necessary or desirable for the consummation of the transactions as contemplated hereby.

7.4. **Further Covenants**. In addition to the covenants made elsewhere in this Agreement, ImmunoGen hereby covenants to CytomX that, from the Effective Date until expiration or termination of this Agreement, it will not (a) knowingly take any action that conflicts with the rights under the Licensed Intellectual Property granted to CytomX under this Agreement or (b) knowingly fail to take any action that is reasonably necessary to avoid a conflict with the rights under the Licensed Intellectual Property granted to CytomX under this Agreement.

7.5. **Representation by Legal Counsel**. Each Party hereto represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption shall exist or be implied against the Party which drafted such terms and provisions.

7.6. **Warranty Disclaimers**.

7.6.1. Except as expressly set forth in Section 7.1 or 7.2 hereof, nothing in this Agreement is or shall be construed as a warranty or representation by ImmunoGen (a) as to the validity or scope of any patent application or patent within the Licensed Patent Rights or (b) that anything made, used, sold or otherwise disposed of under any license granted under this Agreement is or will be free from infringement of patents, copyrights and other rights of Third Parties.

7.6.2. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED,

WITH REPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

8. TERM AND TERMINATION.

8.1. **Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall extend, unless this Agreement is terminated earlier in accordance with this Article 8, on a Licensed Product-by-Licensed Product and country-by-country basis, until such time as the Royalty Term with respect to the sale of such Licensed Product in such country expires. Provided this Agreement has not been terminated prior thereto by ImmunoGen under Section 8.3, 8.4 or 8.5 hereof or by CytomX under Section 8.2 or 8.4 hereof, following the expiration of the Royalty Term applicable to a Licensed Product in a country in accordance with Section 1.134 hereof, CytomX and its Affiliates shall have a fully paid-up, irrevocable, freely transferable and sublicensable license under the relevant Licensed Intellectual Property, to make, have made, use, sell, offer for sale and import such Licensed Products in such country.

8.2. **Voluntary Termination by CytomX**. CytomX shall have the right to terminate this Agreement at any time prior to the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory, upon not less than ninety (90) days' prior written notice to ImmunoGen.

8.3. **Termination by Either Party for Cause**. Either Party may terminate this Agreement in its entirety at any time during the Term by giving written notice to the other Party if the other Party commits a material breach of its obligations under this Agreement (a "**Material Breach**"), such notice to describe such Material Breach in reasonable detail, and such Material Breach remains uncured for [***], measured from the date written notice of such breach is given to the breaching Party; provided, however, that if the nature of the asserted breach is such that more than [***] days are reasonably required to cure, then the cure period shall be extended for a period not to exceed an additional [***] days so long as the Party seeking to cure the asserted breach is diligently pursuing such cure to completion.

8.4. **Termination on Insolvency**. This Agreement may be terminated upon written notice by either Party at any time in the event of an Insolvency Event of the other Party.

8.5. **Termination for Material Breach of the Research Collaboration Agreement by CytomX**. ImmunoGen shall have the right to terminate this Agreement, effective upon thirty (30) days' prior written notice to CytomX, in the event ImmunoGen has terminated the Research Collaboration Agreement due to the occurrence of a Material Breach (as defined in the Research Collaboration Agreement) thereunder by CytomX which remains uncured as of the termination date of the Research Collaboration Agreement.

8.6. **Effects of Expiration or Termination**.

8.6.1. **Effect of Termination by ImmunoGen under Section 8.3, 8.4 or 8.5 or by CytomX under Section 8.2**. If ImmunoGen terminates this Agreement pursuant to Section 8.3, 8.4 or 8.5 hereof, or CytomX terminates this Agreement pursuant to Section 8.2 hereof, then:

(a) the license granted by ImmunoGen to CytomX and its Affiliates under Section 3.1.1 hereof shall immediately terminate, and CytomX and its Affiliates shall discontinue the use of any Licensed Intellectual Property except, with respect to the Licensed Patent Rights, as otherwise permitted under 35 U.S.C. § 271(e)(1) with respect to activities performed in the United States;

(b) CytomX and its Affiliates and Sublicensees shall cease any Development and Commercialization of Licensed Products in the Territory, subject to Section 8.6.3 hereof; and

(c) each Party shall promptly return or destroy all of the other Party's Confidential Information, provided that each Party may retain, subject to Article 6 hereof, (i) one (1) copy of the other Party's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of the other Party contained in its laboratory notebooks or databases, and (iii) any Confidential Information of the other Party to the extent reasonably required to exercise its rights and perform its obligations under any other then-outstanding License Agreement.

8.6.2. **Effect of Termination by CytomX under Section 8.3 or 8.4**. If CytomX terminates this Agreement pursuant to Section 8.3 or 8.4 hereof, then

(a) the license granted to CytomX by ImmunoGen pursuant to Section 3.1.1 hereof shall continue on the terms set forth herein, subject to CytomX's continued payment of all milestone and royalty payments in accordance with this Agreement, and on a country-by-country and Licensed Product-by-Licensed Product basis, upon the expiration of the Royalty Term applicable to a Licensed Product in country in accordance with Section 1.134 hereof and provided CytomX shall have paid to ImmunoGen all royalty amounts due to ImmunoGen with respect to Net

Sales in such country, CytomX and its Affiliates shall thereafter have a fully paid-up, irrevocable, freely transferable ad sublicensable license under the relevant Licensed Intellectual Property, to make, have made, use, sell, offer for sale and import such Licensed Product in such country;

(b) ImmunoGen shall remain entitled to receive payments that accrued before the effective date of such termination; and

(c) each Party shall promptly return or destroy all of the other Party's Confidential Information, provided that each Party may retain, subject to Article 6 hereof, (i) one (1) copy of the other Party's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of the other Party contained in its laboratory notebooks or databases and (iii) any Confidential Information of the other Party to the extent reasonably required to exercise its rights and perform its obligations under any then-outstanding License Agreement. The foregoing notwithstanding, and subject to Article 6 hereof, CytomX may retain and use ImmunoGen's Confidential Information with respect to the exercise of its rights set forth in clause (a) above or necessary or useful to exercise any other of its rights under this Agreement that survive such termination.

8.6.3. **Treatment of Sublicensees on Termination**. Notwithstanding the foregoing, ImmunoGen shall permit a Sublicensee of CytomX to become its direct Sublicensee upon notification to ImmunoGen.

8.6.4. **Satisfaction of Obligations During Notice Period**. During the period from providing a notice of termination through the termination of the Agreement, the Parties shall continue to perform their obligations under this Agreement.

8.6.5. **Pending Dispute Resolution**. If a Party gives notice of termination and the other Party disputes whether such notice was proper, then the issue of whether this Agreement has been terminated shall be resolved in accordance with Section 10.9 or 10.10 hereof, as applicable, and this Agreement shall remain in effect pending the resolution of such dispute. If as a result of such dispute resolution process it is determined that the notice of termination was proper, then such termination shall be effective immediately. If as a result of such dispute resolution process it is determined that the notice of termination was improper, then no termination shall have occurred and this Agreement shall remain in effect. Anything contained in this Agreement to the contrary notwithstanding, if the asserted breach is cured or shown to be non-existent within the applicable cure period, the first notice of breach hereunder shall be deemed automatically withdrawn and of no effect.

8.7. **Disposition of Inventories of Products**. Following termination of this Agreement by ImmunoGen pursuant to Section 8.3 or 8.4, CytomX and its Affiliates and Sublicensees shall have the right to continue to sell their existing inventories of Licensed Product(s) that have received Regulatory Marketing Approval prior to such termination for a period [***] after the effective date of such termination or expiration and CytomX shall pay any milestones and royalties payable in connection with such sales in accordance with Article 4 hereof.

8.8. **Remedies**. Except in the case of either Party's breach of Section 2.6 or Article 6 hereof, the rights of the non-breaching Party set forth in Section 8.6 hereof shall be the exclusive legal remedy to a Party arising from a Material Breach; provided, however, that (a) in addition to the foregoing legal remedy, the Parties may seek any and all equitable remedies, including, without limitation, declarative and injunctive relief and specific performance in accordance with applicable law, and (b) nothing in this Section shall limit the Parties' respective rights and obligations with respect to (i) Unauthorized Use of the other Party's Confidential Information or Proprietary Materials, (ii) unauthorized disclosure of the other Party's Confidential Information or (iii) indemnification as set forth in Article 9 hereof.

8.9. **Survival of Certain Obligations**. Expiration or termination of this Agreement shall not relieve the Parties of any obligation that accrued before such expiration or termination. The following provisions shall survive expiration or termination of this Agreement: Sections 2.5.2, 2.5.3, 2.5.4, 2.6 and 3.3, Articles 4, 5 and 6, Sections 7.6, 8.1, 8.6, 8.7 (for the period set forth therein), 8.8 and 8.9, and Articles 9 and 10. For avoidance of doubt, any other Section that explicitly states it survives expiration or termination of this Agreement shall so survive.

9. LIMITATION ON LIABILITY, INDEMNIFICATION AND INSURANCE.

9.1. **No Consequential Damages**. Except with respect to liability arising from a breach of Article 6 hereof, in no event will either Party, its Affiliates or any of its or its Affiliates' respective Representatives be liable under this Agreement for any special, indirect, incidental, consequential or punitive or exemplary damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, (a) including loss of profits or revenue suffered by either Party or any of its respective Affiliates or Representatives or (b) cost of procurement of substitute goods, technology or services, even if either Party is informed in advance of the possibility of such damages and even if the remedies provided for in this Agreement fail of their essential purpose. For purposes of clarity, a Party's monetary liability under a Third Party Claim for such Third Party's special, indirect, incidental or consequential damages or for any punitive or exemplary damages payable in connection with such Third Party Claim, shall be deemed to be the direct damages of such Party for purposes of this Article 9.

9.2. **Indemnification by ImmunoGen**. ImmunoGen will indemnify, defend and hold harmless CytomX, its Affiliates and each of its and their respective employees, officers, directors and agents (each, a "**CytomX Indemnified Party**") from and against any and all liability, loss, damage, expense (including reasonable attorneys' fees and expenses) and cost (collectively, a "**Liability**") as a direct result of any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (collectively, "**Third Party Claims**") arising out of a Material Breach of this Agreement by ImmunoGen, except, in each case, to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by CytomX, the Development, Manufacture, Commercialization or use (including, without limitation, the production, manufacture, promotion, import, sale or use by any Person) of any Licensed Product by, on behalf of, or under the authority of, CytomX or any of its Affiliates, Sublicensees, subcontractors, distributors or agents (other than an ImmunoGen Indemnified Party), or the negligence, recklessness or intentional acts of CytomX or any of its Affiliates, Sublicensees, subcontractors, distributors or agents; provided that with respect to any Third Party Claim for which CytomX also has an obligation to indemnify any ImmunoGen Indemnified Party pursuant to Section 9.3 hereof, ImmunoGen shall indemnify each CytomX Indemnified Party for its Liability to the extent of ImmunoGen's responsibility, relative to CytomX (or to Persons for whom CytomX is legally responsible), for the facts underlying the Third Party Claim.

9.3. **Indemnification by CytomX**. CytomX will indemnify, defend and hold harmless ImmunoGen, its Affiliates, contractors, distributors and each of its and their respective employees, officers, directors and agents (each, a "**ImmunoGen Indemnified Party**") from and against any and all Liabilities as a direct result of any Third Party Claims arising out of:

(a) the Development, Manufacture, Commercialization or use (including, without limitation, the production, manufacture, promotion, import, sale or use by any Person) of any Licensed Product by, on behalf of, or under the authority of, CytomX or any of its Affiliates, Sublicensees, subcontractors, distributors or agents (other than by any ImmunoGen Indemnified Party); or

(b) a Material Breach of this Agreement by CytomX;

except to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by ImmunoGen or the negligence, recklessness or intentional acts of ImmunoGen or any ImmunoGen Indemnified Party; provided that with respect to any Third Party Claim for which ImmunoGen also has an obligation to indemnify any CytomX Indemnified Party pursuant to Section 9.2 hereof, CytomX shall indemnify each

ImmunoGen Indemnified Party for its Liability to the extent of CytomX's responsibility, relative to ImmunoGen (or to Persons for whom ImmunoGen is legally responsible), for the facts underlying the Third Party Claim.

9.4. **Procedure**.

9.4.1. **Notice**. Each Party will notify the other Party in writing in the event it becomes aware of a claim for which indemnification may be sought hereunder. In the event that any Third Party asserts a claim or other proceeding (including any governmental investigation) with respect to any matter for which a Party (the "**Indemnified Party**") is entitled to indemnification hereunder, then the Indemnified Party shall promptly notify the Party obligated to indemnify the Indemnified Party (the "**Indemnifying Party**") thereof; 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 prejudiced thereby.

9.4.2. **Control**. The Indemnifying Party shall have the right, at its sole cost and expense, exercisable by notice to the Indemnified Party within ten (10) Business Days after receipt of notice from the Indemnified Party of the commencement of or assertion of any Third Party Claim, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim (including the right to settle the claim solely for monetary consideration) with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. The Indemnified Party shall cooperate, and shall cause its Affiliates and agents to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. The Indemnified Party shall have the right to join in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, at its own expense, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

9.4.3. **Settlement**. Neither the Indemnifying Party nor the Indemnified Party shall enter into any compromise or settlement of a Third Party Claim for which the right to indemnification hereunder has been asserted without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the Indemnifying Party may, without the Indemnified Party's prior written consent, agree or consent to any settlement or other resolution of such Third Party Claim which requires solely money damages paid by the Indemnifying Party, and which includes as an unconditional term

thereof the giving by such claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such Third Party Claim. Each of the Indemnifying Party and the Indemnified Party shall not make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party, and the Indemnified Party shall use reasonable efforts to mitigate Liabilities arising from such Third Party Claim.

9.5. **Insurance**. Each Party shall obtain and maintain, during the Term, commercial general liability insurance, including products liability insurance, with reputable and financially secure insurance carriers (or pursuant to a program of self-insurance reasonably satisfactory to the other Party) to cover its indemnification obligations under Section 9.2 or 9.3 hereof with respect to bodily injury (including death) and damage to property, as applicable, in each case with limits of not less than $3,000,000 per occurrence and in the aggregate. Insurance (other than permitted self-insurance) shall be procured with carriers having an A.M. Best Rating of A-VII or better. Any indemnification payment hereunder shall be made net of any insurance proceeds which the Indemnified Party is entitled to recover; provided, however, that if, following the payment to the Indemnified Party of any amount under this Article 9, such Indemnified Party becomes entitled to recover any insurance proceeds in respect of the claim for which such indemnification payment was made, the Indemnified Party shall promptly pay an amount equal to the amount of such proceeds (but not exceeding the amount of such indemnification payment) to the Indemnifying Party.

10. MISCELLANEOUS.

10.1. **Assignment**. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required in connection with any assignment of this Agreement to an Affiliate of the assigned Party, or to a Third Party in connection with the transfer or sale of the business to which this Agreement relates, or to any successor Person resulting from any merger or consolidation of such Party with or into such Person, provided that the assignee shall have agreed in writing to assume all of the assignor's obligations hereunder, and provided, further, that the other Party shall be notified promptly after such assignment has been effected. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any purported assignment not in accordance with this Section 10.1 shall be null and void.

10.2. **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

10.3. **Force Majeure**. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by *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 Commercially Reasonable Efforts to resume performance. For purposes of this Agreement, "*force majeure*" shall include conditions beyond the control of the Parties, including an act of God, voluntary or involuntary compliance with any Applicable Law or order of any government, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, or destruction of production facilities or materials by fire, earthquake, storm or like catastrophe; provided that financial inability to pay in and of itself shall not be considered to be a *force majeure* event.

10.4. **Notices**. Any notice or notification required or permitted to be provided pursuant to the terms and conditions of this Agreement (including any notice of force majeure, breach, termination, change of address, etc.) shall be in writing and shall be deemed given upon receipt if delivered personally or by facsimile transmission (receipt verified), five (5) Business Days after deposited in the mail if mailed by certified mail (return receipt requested) postage prepaid, or on the next Business Day if sent by overnight delivery using a nationally recognized express courier service and specifying next Business Day delivery (receipt verified), to the Parties at the following addresses or facsimile numbers (or at such other address or facsimile number for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

All correspondence to ImmunoGen shall be addressed as follows:

ImmunoGen, Inc.
830 Winter Street
Waltham, MA 02451
Attn: Vice President, Business Development

Fax: [***]

All correspondence to CytomX shall be addressed as follows:

CytomX Therapeutics, Inc.
343 Oyster Point Blvd., Suite 100
South San Francisco, CA 94080-7014
Attn: CEO

Fax: 1-650-351-0353

To help expedite the other Party's awareness and response, copies of notices may be provided to the other Party by email but must be supplemented by one of the following methods: (a) personal delivery, (b) first class certified mail with return receipt requested, or (c) next-day delivery by major international courier, with confirmation of delivery. Electronic copies may be sent via email to [***] at CytomX and to [***] at ImmunoGen so long as such individuals remain employed by CytomX or ImmunoGen, respectively.

10.5. **Amendment**. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of the Party to be bound.

10.6. **Waiver**. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

10.7. **Severability**. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

10.8. **Descriptive Headings**. The descriptive headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

10.9. **Dispute Resolution**. The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to either Party's rights or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article 6 hereof or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Patent Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties shall follow the following procedures in an attempt to resolve the dispute or disagreement:

10.9.1. The Party claiming that such a Dispute exists shall give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the Dispute.

10.9.2. Within [***] days of receipt of a Notice of Dispute, the ImmunoGen Alliance Manager and the CytomX Alliance Manager shall meet in person or by teleconference 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.

10.9.3. If the Alliance Managers are unable to resolve the Dispute during the meeting described in Section 10.9.2 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.2 hereof, then the Dispute will be referred to the JDC which shall meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

10.9.4. If the JDC is unable to resolve the Dispute during the meeting described in Section 10.9.3 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.3 hereof, then the Chief Executive Officer of ImmunoGen and the Chief Executive Officer of CytomX shall meet at a mutually agreed-upon time and location for the purpose of resolving such Dispute.

10.9.5. If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 10.9.4 hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute shall be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, as specifically modified by the provisions of this Section 10.9.5.

(a) Arbitration Panel. The arbitration shall be conducted by a panel of three (3) arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator within [***] days of their appointment, who will serve as chairman of the panel. All three (3) arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) and/or legal or business experience in the biotech or pharmaceutical industry. If either Party fails to nominate its arbitrator, or if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***] day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party shall have no *ex parte* communication with its appointed arbitrator.

(b) Location and Proceedings. The place of arbitration will be in the Borough of Manhattan, City of New York, NY or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto shall be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrators have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof.

(c) Limitation on Awards. Except for breaches of Article 6 hereof, the arbitrators shall have no authority to award any special, indirect, incidental, consequential, punitive, exemplary or other similar damages. Each Party shall bear its own costs and expenses (including attorneys' fees and expert or consulting fees) incurred in connection with the arbitration. The Parties shall equally (50/50) share the arbitrators' fees and other administrative costs and expenses associated with the arbitration.

(d) Confidentiality. The existence, content and results of any arbitration proceedings pursuant to this Section 10.9.5 shall be deemed the Confidential Information of both Parties.

10.9.6. Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

10.10. **Patent Disputes and Disputes Relating to Article 6**.

10.10.1. Inventorship. Any dispute, controversy or claim between the Parties involving the inventorship of any Program Technology that is not resolved by mutual agreement of the Party's respective chief patent counsels (or persons

with similar responsibilities) within [***] days after the date the dispute is raised by one or both of the Parties shall be submitted to an Independent Patent Counsel for resolution. Such Independent Patent Counsel's determination of inventorship, absent manifest error, shall be final and binding on the Parties; provided, however, that any such determination with respect to a patent application shall not preclude either Party from disputing inventorship with respect to any patents issuing from such patent application, which disputes shall be resolved in

accordance with this Section. The Parties shall equally (50/50) share the Independent Patent Counsel fees and expenses related to his determination of inventorship.

10.10.2. Other Patent Disputes. Any dispute, controversy or claim between the Parties that involves the validity, scope, infringement, enforceability or ownership of the Parties' respective Patent Rights (a) that are pending or issued in the United States shall be subject to actions before the United States Patent and Trademark Office and/or submitted exclusively to the federal court located in the jurisdiction where the Party whose Patent Rights are the subject to such dispute, controversy or claim resides (provided that if such Party does not reside in the United States, venue shall be the jurisdiction where such Party's principal U.S. Affiliate resides) and (b) that are pending or issued in any other country (or region) shall be brought before an appropriate regulatory or administrative body or court in that country (or region), and the Parties hereby consent to jurisdiction and venue in such courts and bodies.

10.10.3. Disputes Relating to Article 6. Any dispute, controversy or claim between the Parties that relates to the enforcement of Article 6 hereof shall be subject to action in any court of competent jurisdiction.

10.11. **Governing Law**. This Agreement, and all claims arising under or in connection therewith, shall be governed by and interpreted in accordance with the substantive laws of the State of New York, without regard to conflict of law principles thereof.

10.12. **Entire Agreement**. This Agreement, including its Exhibits and Schedules, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof and thereof, including the Confidentiality Agreement.

10.13. **Purpose and Scope**. The Parties understand and agree that this Agreement is limited to the activities, rights and obligations as expressly set forth herein. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

10.14. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be an original and both of which shall constitute together the same document. Counterparts may be signed and delivered by facsimile or PDF file, each of which shall be binding when received by the applicable Party.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

10.15. **No Third Party Rights or Obligations**. Except as set forth in Article 9 hereof, no provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights or obligation in any Person not a Party to this Agreement. However, either Party may decide, in its sole discretion, to use one or more of its Affiliates to perform its obligations and duties hereunder, provided that such Party shall remain liable hereunder for the performance by any such Affiliates of any such obligations.

10.16. **Interpretation**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement. In addition, unless the context otherwise requires, wherever used in this Agreement: (i) the singular shall include the plural, the plural the singular; (ii) the use of any gender shall be applicable to all genders; (iii) the word “or” is used in the inclusive sense (and/or); (iv) the words “include” or “including” shall be construed as incorporating, also, “but not limited to” or “without limitation” (irrespective of whether the words are used in the applicable instance); (v) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and (vi) all references to “will” are interchangeable with the word “shall” and shall be understood to be imperative or mandatory in nature.

[The remainder of this page has been intentionally left blank. The signature page follows.]

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IN WITNESS WHEREOF, duly authorized representatives of the Parties have duly executed this Agreement to be effective as of the Effective Date.

IMMUNOGEN, INC.	CYTOMX THERAPEUTICS, INC.
By: _____	By: _____
Name:	Name:
Title:	Title:
Date:	Date:

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EXHIBIT A

Licensed Target

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT B

Royalty Rate Reduction Methodology

[***]†

† **Two pages of text have been omitted.**

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EXHIBIT D

Form of ImmunoGen License Agreement

[See Attached

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit D

LICENSE AGREEMENT

BETWEEN

IMMUNOGEN, INC.

AND

CYTOMX THERAPEUTICS, INC.

, 201

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EXHIBITS

Exhibit A – Licensed Target

Exhibit B – Royalty Rate Reduction Methodology

Schedule 1.120 – List of Cytotoxic Compound Patent Rights

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

LICENSE AGREEMENT

This Research Collaboration and License Agreement (the "**Agreement**") is entered into as of [1] (the "**Effective Date**"), by and between **CytomX Therapeutics, Inc.**, a corporation organized and existing under the laws of Delaware and having a place of business at 343 Oyster Point Blvd., Suite 100, South San Francisco, California, 94080 United States ("**CytomX**") and **ImmunoGen, Inc.**, a corporation organized and existing under the laws of Massachusetts and having a place of business at 830 Winter Street, Waltham, Massachusetts, 02451 ("**ImmunoGen**"). CytomX and ImmunoGen may each be referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, the Parties have entered into a Research Collaboration Agreement, pursuant to which, among other things, CytomX granted to ImmunoGen the right to obtain a license to certain Know-How and related Patent Rights owned or Controlled by CytomX with respect to certain Targets; and

WHEREAS, pursuant to the Research Collaboration Agreement, ImmunoGen has exercised an ImmunoGen Option (as defined in the Research Collaboration Agreement), pursuant to which the Parties have agreed to enter into this Agreement setting forth the terms and conditions of an exclusive license from CytomX to ImmunoGen with respect to the Licensed Target.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

When used in this Agreement, the following capitalized terms shall have the meanings set forth in this Article 1.

1.1. "**ADC**" means a compound that incorporates, is comprised of or is otherwise derived from an Antibody (or other cell-binding moiety) conjugated to a Payload using a Linker, other than a PDC.

1.2. "**Affiliate**" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person shall be regarded as in control of another entity if it owns or controls at least fifty percent (50%) of the equity securities of the subject entity entitled to vote in the election of directors (or, in the

[1] Insert date of receipt by ImmunoGen of Option Exercise Notice with respect to the Licensed Target.

case of an entity that is not a corporation, for the election of the corresponding managing authority), provided, however, that the term "Affiliate" shall not include subsidiaries or other entities in which a Party or its Affiliates owns a majority of the ordinary voting power necessary to elect a majority of the board of directors or other managing authority, but is restricted from electing such majority by contract or otherwise, until such time as such restrictions are no longer in effect. A Person shall be deemed an Affiliate only so long as it satisfies the foregoing definition.

1.3. "**Alliance Manager**" is defined in Section 2.4 hereof.

1.4. "**Annual Maintenance Fees**" is defined in Section 2.2.1 hereof.

1.5. "**Annual Net Sales**" means, with respect to any Licensed Product in a Calendar Year during the applicable Royalty Term for such Licensed Product, the aggregate Net Sales by a Party, its Affiliates and its Sublicensees from the sale of such Licensed Product in the Territory during such Calendar Year.

1.6. "**Antibody**" means a molecule which comprises or contains: (a) one or more immunoglobulin variable domains; or (b) fragments, variants, modifications or derivatives of such immunoglobulin variable domains irrespective of origin or source, including but not limited to antigen binding portions including Fab, Fab', F(ab')2, Fv, dAb and CDR fragments, single chain antibodies (scFv), chimeric antibodies, monospecific antibodies, diabodies and polypeptides (including humanized versions thereof) that contain at least a portion of an immunoglobulin that is sufficient to confer specific antigen binding to the polypeptide. For clarity, as used in this Agreement, the term "Antibody" shall not include Probodies or PDCs.

1.7. "**Applicable Law**" means the laws, statutes, rules, regulations, guidelines, or other requirements that may be in effect from time to time and apply to a particular activity contemplated hereby, including any such laws, statutes, rules, regulations, guidelines or other requirements of the FDA or the EMA or any applicable securities regulatory authorities or national securities exchanges or securities listing organizations.

1.8. "**Applicant**" is defined in Section 5.5.2 hereof.

1.9. "**Applicant Response**" is defined in Section 5.5.3(b) hereof.

1.10. "**Bankruptcy Code**" is defined in Section 3.4 hereof.

1.11. "**Baseline Net Sales**" is defined in Section 1.94 hereof.

1.12. "**Binding Obligation**" means, with respect to a Party (a) any oral or written agreement or arrangement that binds or legally affects such Party's operations or property,

including any assignment, license agreement, loan agreement, guaranty, or financing agreement; (b) the provisions of such Party's charter, bylaws or other organizational documents or (c) any order, writ, injunction, decree or judgment of any court or Governmental Authority entered against such Party or by which any of such Party's operations or property are bound.

1.13. "**Biosimilar Application**" means an application submitted to the FDA under subsection (k) of the PHSA or a similar application submitted under a similar regulatory scheme to another Regulatory Authority.

1.14. "**BLA"**means a Biologics License Application (as that term is used in Title 21 of the United States Code of Federal Regulations) filed with the FDA seeking Regulatory Approval to market and sell any Licensed Product in the United States for a particular indication.

1.15. "**BPCIA**" means the Biologics Price Competition and Innovation Act of 2009.

1.16. "**Business Day**" means a day other than a Saturday, a Sunday or other day on which banking institutions in Boston, Massachusetts or San Francisco, California are required to be closed or are actually closed with legal authorization.

1.17. "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, for so long as this Agreement is in effect.

1.18. "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

1.19. "**Challenge**" means any challenge to the [***], or [***] of any of the Licensed Patent Rights, including without limitation: (a) filing a declaratory judgment action in which any of the Licensed Patent Rights is alleged to be invalid or unenforceable; (b) citing prior art pursuant to 35 U.S.C. §122 or §301, filing a request for re-examination of any of the Licensed Patent Rights pursuant to 35 U.S.C. §302 or §311, filing a [***] of the Licensed Patent Rights pursuant to [***], or filing a [***] of the Licensed Patent Rights pursuant to [***]; or (c) filing or commencing any re-examination, opposition, cancellation, nullity or similar proceeding against any of the Licensed Patent Rights in any country.

1.20. "**Challenge Jurisdiction**" is defined in Section 4.2.3(d) hereof.

1.21. "**Challenged Patent Rights**" is defined in Section 4.2.3(d) hereof.

1.22. "**Challenge-Related Royalty Increase**" is defined in Section 4.2.3 (d) hereof.

1.23. "**Clawback Amount**" is defined in Section 4.2.3(d) hereof.

1.24. "**Combination**" is defined in Section 1.104 hereof.

1.25. "**Commercialization**" or "**Commercialize**" means activities with respect to a Licensed Product relating to commercialization in the Field in the Territory, including pre-launch and launch activities, pricing and reimbursement activities, marketing, promoting, detailing, distributing, offering for sale and selling such Licensed Product, importing and exporting such Licensed Product for sale, conducting post-marketing human clinical trials, reporting of adverse events in patients and interacting with Regulatory Authorities regarding any of the foregoing. Commercialization shall not include any activities related to Manufacturing or Development. When used as a verb, "Commercialize" means to engage in Commercialization and "Commercialized" has a corresponding meaning.

1.26. "**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 normally use to accomplish a similar objective under similar circumstances. With respect to any efforts relating to the Development of a Licensed Product by ImmunoGen, generally or with respect to any particular country in the Territory, ImmunoGen will be deemed to have exercised Commercially Reasonable Efforts if it has exercised those efforts normally used by ImmunoGen, in the relevant country, with respect to a compound, product or product candidate, as applicable, owned or Controlled by ImmunoGen, or to which ImmunoGen has similar rights, which compound, product or product candidate is of similar market potential in such country, and is at a similar stage in its development or product life cycle as the Licensed Product, taking into account all relevant factors in effect at the time such efforts are to be expended. It is expressly understood that, so long as this Agreement may be terminated by ImmunoGen for convenience pursuant to Section 8.2 hereof, ceasing the Development of a Licensed Product shall be deemed to be inconsistent with Commercially Reasonable Efforts. Further, to the extent that the performance of ImmunoGen's obligations hereunder is adversely affected by CytomX's failure to perform its obligations hereunder, the impact of such performance failure will be taken into account in determining whether ImmunoGen has used its Commercially Reasonable Efforts to perform any such affected obligations.

1.27. "**Confidential Information**" of a Party means (a) with respect to ImmunoGen, the identity of the Licensed Target, and (b) with respect to each Party, all Know-How or other information, including proprietary information and materials (whether or not patentable) regarding such Party's technology, products, business or objectives, that is communicated in any way or form by or on behalf of such Party (in such capacity, the "**Disclosing Party**") to the other Party (in such capacity, the "**Receiving Party**") or to

any of the Receiving Party's or its Affiliates' employees, consultants or subcontractors (collectively, "**Representatives**"), either prior to or after the Effective Date of this Agreement (including any information disclosed pursuant to the Confidentiality Agreement), and whether or not such Know-How or other information is identified as confidential at the time of disclosure. The terms and conditions of this Agreement shall be deemed to be the Confidential Information of each Party. Confidential Information within the CytomX Program Technology shall be deemed to be the Confidential Information of CytomX. Confidential Information within the ImmunoGen Program Technology shall be deemed to be the Confidential Information of ImmunoGen. Confidential Information within the Joint Program Technology shall be deemed to be the Confidential Information of each Party. Certain other information is designated as Confidential Information throughout this Agreement and is included in this definition.

1.28. "**Confidentiality Agreement**" means that certain Mutual Confidential Disclosure Agreement between the Parties effective as of March 21, 2013.

1.29. "**Conjugation Probody Platform Improvements**" is defined in Section 1.120 hereof.

1.30. "**Control**" or "**Controlled**" means, with respect to any (a) item of information, including Know-How, (b) intellectual property right, or (c) Proprietary Material, the possession (whether by ownership interest or license, other than pursuant to this Agreement) by a Party of the ability to grant to the other Party access to or a license under such item, right or material, as provided herein, without violating the terms of any agreement or other arrangements with any Third Party.

1.31. "**Covered Results**" is defined in Section 6.3.2 hereof.

1.32. "**Cover(s)**" is defined in Section 4.2.3(b)(iii) hereof.

1.33. **[Reserved]**

1.34. "**CytomX Indemnified Party**" is defined in Section 9.3 hereof.

1.35. "**CytomX Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which are employees, agents or independent contractors of CytomX or any of its Affiliates. Anything contained in this Agreement to the contrary notwithstanding, any and all CytomX Program Technology that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Licensed Product or Probody comprised in a Licensed Product shall be included in the Licensed Intellectual Property.

1.36. "**CytomX Proprietary Materials**" means biological materials (including any Probodies, Masks or Substrates) and other tangible research materials Controlled by CytomX and provided by CytomX to ImmunoGen under this Agreement. Without prejudice to any intellectual property rights in and to Probodies, any tangible Probodies produced by or for ImmunoGen or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers using any hybridoma or genetic sequencing information provided by CytomX in connection with the Development, Manufacture, use and Commercialization of Licensed Products shall not be deemed to be CytomX Proprietary Materials for purposes of this Agreement.

1.37. **[Reserved]**

1.38. **[Reserved]**

1.39. **[Reserved]**

1.40. "**CytomX Technology**" means any Patent Right, Know-How or other intellectual property right that is Controlled by CytomX or any Affiliate of CytomX or that comes into the Control of CytomX at any time during the Term of this Agreement and is actually used by CytomX in Developing Licensed Products under this Agreement or is otherwise necessary for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making or any Tools for Developing, any Probody, Mask or Substrate.

1.41. "**Cytotoxic Compound**" means [***] Compounds and [***] Compounds.

1.42. "**Deemed Royalty Portion**" is defined in Section 5.4.2(g)(iii) hereof.

1.43. "**Develop**" or "**Development**" means, with respect to a Licensed Product, all pre-clinical, non-clinical and clinical research and drug development activities with respect to such Licensed Product relating to research and development in connection with seeking, obtaining or maintaining any Regulatory Approval for such Licensed Product, including research, toxicology, pharmacology and other similar efforts, test method development and stability testing, manufacturing process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical studies (including pre- and post-approval studies), development of diagnostic assays in connection with clinical studies, and all activities directed to obtaining any Regulatory Approval, including any marketing, pricing or reimbursement approval. When used as a verb, "Develop" means to engage in Development and "Developed" has a corresponding meaning.

1.44. "**Development Milestone**" is defined in Section 4.1.1 hereof.

1.45. "**Development Milestone Payment**" is defined in Section 4.1.1 hereof.

1.46. "**Diligence Obligation**" is defined in Section 2.2.2 hereof.

1.47. "**Disclosing Party**" is defined in Section 1.27 hereof.

1.48. "**Disclosure Letter**" is defined in Section 7.2 hereof.

1.49. "**Dispute**" is defined in Section 10.9 hereof.

1.50. "**Effective Date**" is defined in the introduction to this Agreement.

1.51. "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.52. "**Field**" means all human therapeutic, prophylactic and diagnostic uses.

1.53. "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.), as amended, and the rules and regulations promulgated thereunder.

1.54. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.55. "**First Commercial Sale**" means, with respect to any Licensed Product and any country of the world, the first sale of such Licensed Product under this Agreement by ImmunoGen, its Affiliates or its Sublicensees to a Third Party in such country, after such Licensed Product has been granted Regulatory Marketing Approval by the competent Regulatory Authorities in such country or, if no such Regulatory Marketing Approval or similar approval is required, the date on which such Licensed Product is first commercially launched in such country. The foregoing notwithstanding, "First Commercial Sale" shall not include: [***].

1.56. "**GAAP**" means United States generally accepted accounting principles, consistently applied.

1.57. "**Generic Equivalent**" means, with respect to any Licensed Product in a given country, any biopharmaceutical product that is sold by a Third Party that is not a Sublicensee of ImmunoGen or its Affiliates and such Third Party product (a) contains both (i) an Antibody or Probody that specifically binds to the Licensed Target, and (ii) the same Linker and Cytotoxic Compound as the relevant Licensed Product, or (b) (i) has been licensed as a biosimilar or interchangeable biological product by FDA pursuant to Section 351(k) of the PHSA or any subsequent or superseding law, statute or regulation, (ii) has been licensed as a similar biological medicinal product by the European Medicines Agency pursuant to Directive 2001/83/EC, as may be amended, or any

subsequent or superseding law, statute or regulation, or (iii) has otherwise achieved analogous regulatory marketing approval in reliance on the prior approval of the Licensed Product from another applicable Regulatory Authority where in the case of each of subclauses (i), (ii) or (iii) of clause (b) above, the Licensed Product is the reference product for purposes of determining (bio)similarity or interchangeability of the Third Party product.

1.58. "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.59. "[***] **Compounds**" means [***].

1.60. "**Immediate Patent Infringement Action**" means an immediate patent infringement action pursuant to Section 351(1)(6) of the PHSA.

1.61. "**ImmunoGen Accounting Standards**" means GAAP, as generally and consistently applied throughout ImmunoGen's organization. Beginning upon the First Commercial Sale of a Licensed Product and thereafter during the Term as long as ImmunoGen has an obligation to pay royalties under Section 4.2 hereof, ImmunoGen shall promptly notify CytomX in the event it changes the accounting principles pursuant to which its records are maintained, it being understood and agreed that only internationally recognized accounting principles may be used (*e.g.*, GAAP, IFRS (International Financial Reporting Standards), etc.).

1.62. "**ImmunoGen Indemnified Party**" is defined in Section 9.2 hereof.

1.63. "**ImmunoGen Probody Platform Improvements**" means any Probody Platform Improvement (other than a Joint Probody Platform Improvements) the inventors of which (alone or with others) are employees of, or others obligated to assign inventions to, ImmunoGen or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers pursuant to the Development, Manufacture, use and Commercialization of any Licensed Product.

1.64. "**ImmunoGen Program Technology**" means any Program Technology (other than Joint Program Technology) the inventors of which (alone or with others) are employees of, or others obligated to assign inventions to, ImmunoGen or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers.

1.65. **[Reserved]**

1.66. "**ImmunoGen Proprietary Materials**" means any chemical (including any Cytotoxic Compounds), biological (including any Antibodies) and other tangible research materials Controlled by ImmunoGen and provided by ImmunoGen to CytomX under this

Agreement. Subject to the last sentence of this definition, any mutant, derivative, progeny or improvement of ImmunoGen Proprietary Materials shall be considered to be ImmunoGen Proprietary Materials.

1.67. "**ImmunoGen Response**" is defined in Section 5.5.3(c) hereof.

1.68. "**ImmunoGen Standard Exchange Rate Methodology**" means, with respect to amounts invoiced in U.S. Dollars, all such amounts shall be expressed in U.S. Dollars. With respect to amounts invoiced in a currency other than U.S. Dollars, all such amounts shall be expressed both in the currency in which the amount was invoiced and in the U.S. Dollar equivalent. The U.S. Dollar equivalent shall be calculated using ImmunoGen's then-current standard exchange rate methodology, which is in accordance with the ImmunoGen Accounting Standards applied in its external reporting for the conversion of foreign currency sales into U.S. Dollars or, in the case of Sublicensees, such similar methodology, consistently applied.

1.69. "**Improvement**" is defined in Section 1.120 hereof.

1.70. "**IND**" means an Investigational New Drug Application, as defined in the FD&C Act, that is required to be filed with the FDA before beginning clinical testing of a Licensed Product in human subjects, or an equivalent foreign filing.

1.71. "**Indemnified Party**" is defined in Section 9.4.1 hereof.

1.72. "**Indemnifying Party**" is defined in Section 9.4.1 hereof.

1.73. "**Independent Patent Counsel**" means an outside patent counsel reasonably acceptable to both Parties who (and whose firm) is not at the time of the dispute, and was not at any time during the five (5)-year period preceding the dispute, performing legal services of any nature for either of the Parties or their respective Affiliates (or, in the case of ImmunoGen, its Sublicensees) and which did not, at any time, employ either of the Parties' chief patent counsels (or persons with similar responsibilities).

1.74. "**Infringed Patent List**" is defined in Section 5.5.3(e) hereof.

1.75. "**Infringement**" is defined in Section 5.4.1 hereof.

1.76. "**Insolvency Event**" means the occurrence of any of the following: (a) a case is commenced by or against a Party under applicable bankruptcy, insolvency or similar laws, and is not dismissed within ninety (90) days, (b) a Party files for or is subject to the institution of bankruptcy, reorganization, liquidation, receivership or similar proceedings, (c) a Party assigns all or a substantial portion of its assets for the benefit of creditors, (d) a receiver or custodian is appointed for a Party's business, (e) a substantial portion of a

Party's business is subject to attachment or similar process, or (f) anything analogous to any of the events described in the foregoing clauses (a) through (e) occurs under the laws of any applicable jurisdiction.

1.77. "**Joint Conjugation Probody Platform Improvements**" means Conjugation Probody Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.78. "**Joint Development Committee**" or "**JDC**" is defined in Section 2.3.1 hereof.

1.79. "**Joint Patent Right**" means any Patent Right comprised in the Joint Program Technology.

1.80. "**Joint Probody Platform Improvements**" means Probody Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.81. "**Joint Program Technology**" means any Program Technology (other than Joint Probody Platform Improvements) the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.82. **[Reserved]**

1.83. "**Joint Unconjugated Probody Platform Improvements**" means Unconjugated Probody Platform Improvements the inventors of which are jointly (a) employees, agents or independent contractors of CytomX or any of its Affiliates *and* (b) employees, agents or independent contractors of ImmunoGen or any of its Affiliates.

1.84. "**Know-How**" means any proprietary invention, discovery, data, information, process, method, technique, material, technology, result or other know-how, whether or not patentable.

1.85. "**Knowledge**" is defined in Section 7.2 hereof.

1.86. "**Liability**" is defined in Section 9.2 hereof.

1.87. "**License Agreement**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.88. "**Licensed Intellectual Property**" means any Patent Right, Know-How or other intellectual property right that is owned or Controlled by CytomX or any Affiliate of CytomX or that becomes owned or Controlled by CytomX or any of its Affiliates at any time during the Term (including CytomX's one-half interest in Joint Program Technology and Joint Probody Platform Improvements) that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Licensed Product or Probody comprised in a Licensed Product.

1.89. "**Licensed Know-How**" means any Know-How comprised in the Licensed Intellectual Property.

1.90. "**Licensed Patent Rights**" means any Patent Rights comprised in the Licensed Intellectual Property.

1.91. "**Licensed Product**" means any product that incorporates, is comprised of, or is otherwise derived from, a Target-Binding Probody conjugated to a Cytotoxic Compound using a Linker.

1.92. "**Licensed Target**" means the Target set forth in Exhibit A attached hereto and incorporated herein by reference.

1.93. "**Linker**" means any compound or composition that is useful for linking a cytotoxic or cytostatic moiety, including, without limitation, a Cytotoxic Compound, and a cell-binding moiety, including, without limitation, an Antibody or a Probody, together to form a conjugate of the cytotoxic or cytostatic moiety with the cell-binding moiety.

1.94. "**Loss of Market Exclusivity**" with respect to any Licensed Product in any country, shall be deemed to have occurred only if: (a) one or more Generic Equivalent(s) are being marketed by a Third Party (excluding any Sublicensee) in such country; and (b) Net Sales of such Licensed Product in that country during any Calendar Quarter following introduction of the Generic Equivalent(s) have declined by at least [***] in that country relative to the average quarterly Net Sales of such Licensed Product in such country over [***] ending prior to the introduction of such Generic Equivalent(s) (the "**Baseline Net Sales**") and such decline in Net Sales is not primarily attributable to [***]. Anything contained in this Agreement to the contrary notwithstanding, a "Loss of Market Exclusivity" shall not be deemed to have occurred if [***].

1.95. "**Major EU Market Country**" means any of [***].

1.96. "**Manufacturing**" or "**Manufacture**" means activities directed to making, producing, manufacturing, processing, filling, finishing, packaging, labeling, quality assurance testing and release, shipping or storage of a product.

1.97. "**Marginal Royalty Rates**" is defined in Section 4.2.1 hereof.

1.98. "**Mask**" means a peptide linked to an Antibody that is capable of inhibiting the specific binding of the Antibody to its Target.

1.99. "**Material Breach**" is defined in Section 8.3 hereof.

1.100. "[***] **Compound**" means [***].

1.101. "**Milestone Payment**" means any Development Milestone Payment or Sales Milestone Payment.

1.102. "**Monies**" is defined in Section 5.4.2(g) hereof.

1.103. "**Negotiation Period**" is defined in Section 5.5.3(e) hereof.

1.104. "**Net Sales**" means, with respect to a Licensed Product, gross receipts from sales by ImmunoGen and its Affiliates and Sublicensees of such Licensed Product to Third Parties in the Territory, less in each case (a) bad debts, (b) sales returns and allowances actually paid, granted or accrued, including trade, quantity and cash discounts and any other adjustments, including those granted on account of price adjustments, billing errors, rejected goods, damaged or defective goods, recalls, returns, rebates, chargeback rebates, reimbursements or similar payments granted or given to wholesalers or other distributors, buying groups, health care insurance carriers, chain pharmacies, mass merchandisers, staff model HMO's, pharmacy benefit managers or other institutions in respect of the purchase price, (c) adjustments actually paid, granted or accrued arising from consumer discount programs or other similar programs, (d) customs or excise duties, sales tax, consumption tax, value added tax, and other taxes (except income taxes) or duties relating to sales, (e) any payment made by ImmunoGen, its Affiliates or Sublicensees in respect of sales to the United States government, any state government or any foreign government, or to any other Governmental Authority, or with respect to any government-subsidized program or managed care organization, and (f) freight and freight insurance (to the extent that ImmunoGen, its Affiliates or Sublicensees bears the cost of freight and freight insurance for the Licensed Product), in each case in accordance with GAAP, as consistently applied by ImmunoGen with respect to its overall operations.

Net Sales shall not include sales or transfers among ImmunoGen and its Affiliates and Sublicensees where the Licensed Product is intended for subsequent sale to the end user. All the foregoing elements of Net Sales calculations shall be determined from the books and records of ImmunoGen and its Sublicensees, maintained in accordance with the ImmunoGen Accounting Standards or, in the case of Sublicensees, such similar accounting principles, consistently applied.

In the event a Licensed Product is sold as a component of a combination or bundled product that consists of a Licensed Product together with another therapeutically active product, or screening or diagnostic product, for the same indication (a "Combination"), the Net Sales from the Combination, for the purposes of determining royalty payments hereunder, shall be determined by multiplying the Net Sales of the Combination (as defined in the standard Net Sales definition above) by the fraction A/(A+B), where A is the weighted average per unit sale price of the Licensed Product when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form, and B is the weighted average per unit sale price of the other product(s) included in the Combination when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form.

In the event that the weighted average per unit sale price of the Licensed Product can be determined but the weighted average per unit sale price of the other product(s) included in the Combination cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Sales of the Combination (as defined in the standard Net Sales definition above) by the fraction A/C, where A is the weighted average sale price of the Licensed Product when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form, and C is the weighted average per unit sale price of the Combination.

In the event that the weighted average per unit sale price of the other product(s) included in the Combination can be determined but the weighted average per unit sale price of the Licensed Product in similar volumes and of the same class purity, potency and dosage form as in the Combination cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by multiplying Net Sales of the Combination (as defined in the standard Net Sales definition above) by a fraction determined by the following formula: one (1) minus (B/C) where B is the weighted average per unit sale price of the other product(s) included in the Combination when sold separately in finished form in the country in which the Combination is sold in similar volumes and of the same class, purity, potency and dosage form and C is the weighted average per unit sale price of the Combination.

In the event that such average per unit sale price cannot be determined for the Licensed Product, on the one hand, and all other product(s) included in the Combination, on the other, Net Sales for the purposes of determining royalty payments shall be mutually agreed upon by the Parties based on the relative value contributed by each component, such agreement to be negotiated in good faith.

The weighted average per unit sale price for both the Licensed Product, on the one hand, and all other product(s) included in the Combination, on the other, shall be calculated once each Calendar Year and such price shall be used during all applicable royalty reporting periods for the entire following Calendar Year. When determining the weighted average per unit sale price of a Licensed Product, other product(s), or Combination, the weighted average per unit sale price shall be calculated by dividing sales dollars (translated into U.S. Dollars using the ImmunoGen Standard Exchange Rate Methodology) by the units sold during the twelve (12) months (or the number of months in which sales occurred in a partial Calendar Year) of the preceding Calendar Year for the respective Licensed Product, other product(s), or Combination. In the initial Calendar Year, a forecasted weighted average per unit sale price will be used for the Licensed Product, other product(s), or Combination. Any over- or under-payment due to a difference between the forecasted and actual weighted average per unit sale price will be paid or credited in the first royalty payment of the following Calendar Year.

1.105. "**Non-Disclosing Party**" is defined in Section 6.3.2 hereof.

1.106. "**Notice of Dispute**" is defined in Section 10.9.1 hereof.

1.107. "**Party**" and "**Parties**" is defined in the introduction to this Agreement.

1.108. "**Patent Committee**" is defined in Section 5.2.4 hereof.

1.109. "**Patent Rights**" means any and all (a) patents, (b) pending patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patents granted thereon, (c) all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) any other form of government-issued right substantially similar to any of the foregoing and (f) all United States and foreign counterparts of any of the foregoing.

1.110. "**Payload**" means a therapeutic cytotoxic or cytostatic compound, including, without limitation, a Cytotoxic Compound.

1.111. "**PDC**" means a compound that incorporates, is comprised of or is otherwise derived from, a Probody conjugated to a Payload using a Linker.

1.112. "**Permitted Third Party Service Providers**" is defined in Section 3.1.1 hereof.

1.113. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.114. "**Phase 1 Clinical Study**" means an initial study of a Licensed Product in human subjects or patients with the endpoint of determining initial tolerance, safety, metabolism or pharmacokinetic information and clinical pharmacology of such product as and to the extent defined for the United States in 21 C.F.R. § 312.21(a), or its successor regulation, or the equivalent regulation in any other country.

1.115. "**Phase 2 Clinical Study**" means a study of a Licensed Product in human patients that is intended to obtain information on the Licensed Product's activity for an indication at a prescribed (or otherwise limited) dose and administration schedule, as well as additional information on the Licensed Product's safety and toxicity as and to the extent defined for the United States in 21 C.F.R. § 312.21(b), or its successor regulation, or the equivalent regulation in any other country. Without limiting the generality of the foregoing, a clinical study shall be deemed to be a "Phase 2 Clinical Study" hereunder if such study has been designated by the sponsor as a Phase 2 [II] clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.116. "**Phase 3 Clinical Study**" means a study of a Licensed Product in human patients with a defined dose or a set of defined doses of a Licensed Product designed to (a) ascertain efficacy and safety of such Licensed Product for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; and (c) support preparing and submitting applications for Regulatory Marketing Approval to the competent Regulatory Authorities in a country of the world, as and to the extent defined for the United States in 21 C.F.R.§ 312.21(c), or its successor regulation, or the equivalent regulation in any other country. "Phase 3 Clinical Study" shall also include any other human clinical trial serving as a pivotal study from which the data are actually submitted to the applicable Regulatory Authority in connection with a Regulatory Marketing Approval Application, whether or not such trial is called a "Phase 3" study. Without limiting the generality of the foregoing, a clinical study shall be deemed to be a "Phase 3 Clinical Study" hereunder if such study has been designated by the sponsor as a Phase 3 [III] clinical trial on www.clinicaltrials.gov (or any successor website maintained by the U.S. National Institutes of Health (or any successor agency of the U.S. Government)).

1.117. "**PHSA**" means the Public Health Services Act, as amended (42 U.S.C. § 201 *et seq*.).

1.118. "**Pre-Market Notice**" is defined in Section 5.5.4(b) hereof.

1.119. "**Probody**" means an Antibody linked to a Substrate and a Mask that is claimed or covered by CytomX Technology.

1.120. "**Probody Platform Improvements**" means any Patent Right, Know-How or other intellectual property right that is an enhancement, improvement or modification (each, an "**Improvement**") to the CytomX Technology invented by either Party or any of its Affiliates (or by a Third Party on behalf of either Party or its Affiliates) that is an Improvement to the composition of, or any method of using or method of making or any Tools for developing, any unconjugated Probody, Mask or Substrate (collectively, "**Unconjugated Probody Platform Improvements**"). Probody Platform Improvements also include Improvements (a) to any of the analytical methods used for making, releasing and characterizing any Agreement PDCs that are necessary because of the presence of a Mask and/or Substrate, or (b) consisting of conjugation chemistry or conjugation methods that are necessary because of the presence of a Mask and/or Substrate (collectively, "**Conjugation Probody Platform Improvements**"). Licensed Products and ImmunoGen Probodies, in and of themselves, will not be considered to be Probody Platform Improvements, although the Parties acknowledge that Probody Platform Improvements may be incorporated into Licensed Products and ImmunoGen Probodies. [***] Cytotoxic Compound[2][***] ADCs.

1.121. "**Program Technology**" means all Know-How (other than Probody Platform Improvements) that either Party or any of its Affiliates, Sublicensees or Permitted Third Party Service Providers (or any of their respective employees, agents or independent contractors), alone or with others, makes, creates, develops, discovers, conceives or first actually reduces to practice pursuant to the Development, Manufacture, use or Commercialization of any Licensed Product, including any Patent Rights related thereto. Program Technology also includes "Program Technology" (as defined in the Research Collaboration Agreement) that is necessary or useful for Developing, Manufacturing, using or Commercializing Licensed Products and that claims, covers or is specifically directed to the composition of, or any method of using or method of making any Target-Binding Antibody, Licensed Product, Linker or Cytotoxic Compound comprised in any Licensed Product.

1.122. "**Proposed Biosimilar Product**" is defined in Section 5.5.1 hereof.

1.123. "**Proposed Patent List**" is defined in Section 5.5.3(a) hereof.

1.124. "**Publishing Party**" is defined in Section 6.3.2 hereof.

1.125. "**Receiving Party**" is defined in Section 1.27 hereof.

1.126. "**Regulatory Approval**" means any technical, medical, scientific or other license, registration, authorization or approval of any Regulatory Authority (including any

2 [***] "Cytotoxic Compound" [***]

approval of a New Drug Application or Biologic License Application) necessary for the Development, Manufacture, use or Commercialization of a pharmaceutical product in any regulatory jurisdiction.

1.127. "**Regulatory Approval Application**" means any application submitted to an appropriate Regulatory Authority seeking any Regulatory Approval.

1.128. "**Regulatory Authority**" means the FDA or any counterpart of the FDA outside the United States, or other national, supra-national, regional, state or local regulatory jurisdiction, any agency, department, bureau, commission, council or other governmental entity with authority over the Development, Manufacture, use or Commercialization of a Licensed Product.

1.129. "**Regulatory Marketing Approval**" means, with respect to any pharmaceutical product and any indication, Regulatory Approval (including any supplement thereto) to sell such pharmaceutical product for such indication, including, in any jurisdiction other than the United States, to the extent required for any sale in such country, all pricing and reimbursement approvals to be obtained from the Regulatory Authority granting such Regulatory Approval or any affiliated Regulatory Authority.

1.130. "**Representatives**" is defined in Section 1.27 hereof.

1.131. "**Research Collaboration Agreement**" means that certain Research Collaboration Agreement effective as of January 8, 2014 by and between CytomX and ImmunoGen, as the same may be amended from time to time.

1.132. "**Research Program**" has the meaning ascribed to such term in the Research Collaboration Agreement.

1.133. "**Review Period**" is defined in Section 6.3.2 hereof.

1.134. "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period of time from the First Commercial Sale of such Licensed Product in such country until the later of (a) the expiration of the last Valid Claim that would, but for the license granted hereunder, be infringed by the manufacture, use, sale, offer for sale or importation of such Licensed Product in such country or (b) the twelfth (12^{th}) anniversary of the date of the First Commercial Sale of such Licensed Product in such country, but in the case of (b), in no event later than the twentieth (20^{th}) anniversary of the earlier of the date of the First Commercial Sale of such Licensed Product in the United States or the date of the First Commercial Sale of such Licensed Product in any Major EU Market Country. Anything contained in this Agreement to the contrary notwithstanding, if the Licensed Product (or any component or intermediate thereof) was manufactured in a country where such manufacture would, at the time of

such manufacture, have infringed a Valid Claim within the Licensed Patent Rights in the country of manufacture in the absence of the license granted under Section 3.3.1 hereof, then the Royalty Term in the country of sale of such Licensed Product, if otherwise expired pursuant to the first sentence of this Section, shall be extended or reinstated, as the case may be, but only with respect to sales of Licensed Products so manufactured. In determining infringement of Valid Claims for purposes of this definition of Royalty Term, (i) any Valid Claim within the Licensed Patent Rights that is jointly owned by CytomX (or any of its Affiliates) with CytomX (or any of its Affiliates) shall be deemed to be owned solely by CytomX or an Affiliate of CytomX, and (ii) claims contained in patent applications that have not resulted in the issuance of a patent in a country will be disregarded for purposes of determining the expiration of the Royalty Term for a Licensed Product in such country under this definition.

1.135. "**Sales Milestone**" is defined in Section 4.1.2 hereof.

1.136. "**Sales Milestone Payment**" is defined in Section 4.1.2 hereof.

1.137. "**Sales Threshold**" is defined in Section 4.1.2 hereof.

1.138. **[Reserved]**

1.139. "**Sublicensee**" means any Third Party to whom ImmunoGen or an Affiliate of ImmunoGen grants or has granted, directly or indirectly, a sublicense of rights licensed by CytomX under this Agreement, in accordance with the provisions of this Agreement.

1.140. "**Substrate**" means a moiety that is linked to the Antibody and to the Mask of a Probody and is capable of being cleaved, reduced or photolysed.

1.141. **[Reserved]**

1.142. "**Target**" means a protein described by a unique UniProtKB/Swiss Prot accession number (and all fragments, mutations and splice variants thereof) that is bound by an Antibody or a Probody.

1.143. "**Target**," "**Targeting**" or "**Targeted**" means, when used as a verb to describe the relationship between a molecule and a Target, where the molecule's primary intended mechanism of action requires that it bind to the Target (or a portion thereof).

1.144. "**Target-Binding Probody**" means a Probody that Targets the Licensed Target. [***]

1.145. "**Term**" is defined in Section 8.1 hereof.

1.146. "**Territory**" means the entire world.

1.147. "**Third Party**" means any Person other than CytomX, ImmunoGen or their respective Affiliates.

1.148. "**Third Party Claims**" is defined in Section 9.2 hereof.

1.149. "**Third Party Payments**" is defined in Section 4.2.3(a) hereof.

1.150. "**Unauthorized Use**" is defined in Section 2.6.3 hereof.

1.151. "**Unconjugated Probody Platform Improvements**" is defined in Section 1.120 hereof.

1.152. "**Valid Claim**" means, with respect to a particular country, (a) a claim of an issued and unexpired patent right included within the Licensed Patent Rights that (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental authority of competent jurisdiction, which decision is unappealed or unappealable within the time allowed for appeal, and (ii) has not been cancelled, withdrawn, abandoned, disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (b) a *bona fide* claim of a pending patent application included within the Licensed Patent Rights that has not been (i) cancelled, withdrawn or abandoned without being refiled in another application in the applicable jurisdiction or (ii) finally rejected by an administrative agency action from which no appeal can be taken or that has not been appealed within the time allowed for appeal, provided that any claim in any patent application pending for more than seven (7) years from the earliest date on which such patent application claims priority shall not be considered a Valid Claim for purposes of the Agreement from and after such seven (7) year date unless and until a patent containing such claim issues from such patent application and solely if such patent issues while another Valid Claim covers the relevant Licensed Product in the relevant country. Anything contained in this Agreement to the contrary notwithstanding, a claim within an issued and unexpired patent within the Licensed Patent Rights shall remain a Valid Claim for all purposes under this Agreement, notwithstanding a determination that such claim is unenforceable pursuant to the operation of the BPCIA, if such determination is exclusively caused by or results solely from any act or omission by ImmunoGen (or any of its Affiliates or Sublicensee) determined to have been made negligently or in bad faith in the performance of ImmunoGen's obligations under Section 5.5.3 hereof that results in actual prejudice to CytomX's ability to preserve its rights in the Licensed Patent Rights and eliminate the infringement threatened by the Applicant (excluding any acts or omissions undertaken pursuant to the specific written instruction of CytomX.

2. PRODUCT DEVELOPMENT, MANUFACTURING AND COMMERCIALIZATION.

2.1. **General.** ImmunoGen shall have sole authority over, responsibility for and control of (notwithstanding the formation of the JDC or its decisions and/or disputes among the membership of the JDC) the Development, Manufacture, use and Commercialization of the Licensed Products, and shall bear all costs associated with such Development, Manufacture, use and Commercialization.

2.2. **Development Diligence.**

2.2.1. **ImmunoGen Diligence**. ImmunoGen will use Commercially Reasonable Efforts to Develop Licensed Products and to undertake investigations and actions required to obtain Regulatory Marketing Approval in the Territory; provided that the obligations set forth in this Section shall cease upon the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory. For avoidance of doubt, any actions taken by ImmunoGen's Affiliates or Sublicensees under this Agreement shall be treated as actions taken by ImmunoGen in regard to satisfaction of the requirements of this Section 2.2.1. Beginning on the sixth (6th) anniversary of the Effective Date and thereafter, ImmunoGen will make non-refundable and non-creditable maintenance payments in the amounts set forth below (the "**Annual Maintenance Fees**") until the earlier of (a) the first filing of an IND in the U.S. or in any European Union country for any Licensed Product or (b) the termination of this Agreement in accordance with its terms. The amounts of the Annual Maintenance Fee accruing as of each anniversary of the Effective Date, beginning with the sixth (6th) anniversary are as follows:

Anniversary of the Effective Date	Maintenance Fee
Sixth (6th) anniversary	[***]
Seventh (7th) anniversary	[***]
Eighth(8th) anniversary and each anniversary thereafter	[***]

ImmunoGen will pay the applicable Annual Maintenance Fee in accordance with Section 4.3 hereof within [***] after the applicable anniversary of the Effective Date. Payment of Annual Maintenance Fees by ImmunoGen shall not establish that ImmunoGen has satisfied its due diligence obligations under this Section 2.2, and such payments shall be given no consideration or weight in determining

whether ImmunoGen has satisfied such due diligence obligations. Anything contained in this Agreement to the contrary notwithstanding, ImmunoGen shall have no obligation to pay Annual Maintenance Fees hereunder if the first filing of an IND in the U.S. or in any European Union country for any Licensed Product has occurred prior to the sixth (6th) anniversary of the Effective Date.

2.2.2. **Exceptions to Diligence Obligations**. Notwithstanding any provision of this Agreement to the contrary, ImmunoGen will be relieved from and will have no obligation to undertake any efforts with respect to any diligence obligation under Section 3.2.1 with respect to a given Licensed Product (each, a "**Diligence Obligation**") in the event that CytomX materially breaches any of its Development or other obligations under this Agreement related to such Licensed Product upon which performance of the applicable Diligence Obligation is dependent.

2.2.3. **Remedies for Breach of Diligence Obligations**. A material breach of any Diligence Obligation by ImmunoGen shall be deemed to be a Material Breach by ImmunoGen hereunder.

2.3. **Joint Development Committee**.

2.3.1. **Formation of the Joint Development Committee**. As soon as practicable after the Effective Date, CytomX and ImmunoGen shall establish a "**Joint Development Committee**" (or "**JDC**") to coordinate the sharing of safety data and minutes of meetings with Regulatory Authorities with regard to Licensed Products. The JDC shall also serve as a forum to facilitate communications between the Parties regarding this Agreement. The JDC shall be comprised of two (2) representatives from each Party as appointed by such Party, with such representatives possessing appropriate expertise and seniority. The JDC may change its size from time to time by mutual consent of its members. A Party may replace one or more of its representatives from time to time upon written notice to the other Party. The JDC shall exist until the expiration of the Term or earlier termination of the Agreement, unless the Parties otherwise agree in writing, provided that ImmunoGen may dissolve the JDC upon the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory.

2.3.2. **Chairperson and Secretary of the Joint Development Committee**. ImmunoGen shall designate a chairperson of the JDC, and a secretary of the JDC shall be designated by agreement of the members of the JDC. ImmunoGen may change the designation of the chairperson from time to time upon written notice to CytomX. The chairperson or his or her designee shall be responsible for scheduling meetings of the JDC, preparing agendas for meetings and sending to

all JDC members notices of all regular meetings and agendas for such meetings at least [***] Business Days before such meetings. The chairperson shall solicit input from both Parties regarding matters to be included on the agenda, and any matter either Party desires to have included on the agenda shall be included for discussion. Nothing herein shall be construed to prohibit the JDC from discussing or acting on matters not included on the applicable agenda. The secretary shall (a) record the minutes of the meeting, (b) circulate copies of meeting minutes to the Parties and each JDC member promptly following the meeting for review, comment and approval by the JDC members and (c) finalize approved meeting minutes. The chairperson shall be a member of the JDC but the secretary need not be a member of the JDC.

2.3.3. **Meetings**. The JDC shall meet at least three (3) times each Calendar Year (unless the Parties mutually agree in advance of any scheduled meeting that there is no need for such meeting, in which case the next JDC meeting shall also be scheduled as agreed upon by the Parties) until it has been terminated in accordance with Section 2.3.1 hereof at dates and times mutually agreed by the JDC. The initial meeting of the JDC shall be held within [***] days after the Effective Date. Either Party may call a special meeting of the JDC on [***] days written notice to the other Party's members of the JDC (or upon such shorter notice as exigent circumstances may require). Such written notice shall include an agenda for the special meeting. In-person meetings, including special meetings, of the JDC shall alternate between the offices of the Parties, unless otherwise agreed upon by the members of the JDC. Meetings of the JDC may be held telephonically or by video conference; provided, however, that at least [***] meetings per year shall be held in-person. Meetings of the JDC shall be effective only if at least one (1) representative of each Party is in attendance or participating in the meeting. Members of the JDC shall have the right to participate in at meetings held by telephone or video conference. In addition, the JDC may act on any matter or issue without a meeting if it is documented in a written consent signed by each member of the JDC.

2.3.4. **Responsibilities of the Joint Development Committee**. The JDC shall be responsible for (a) receiving and reviewing all safety data, relevant regulatory information and other related information obtained by either Party in connection with the Development, Manufacture, use and Commercialization of Licensed Products; (b) facilitating communication between the Parties, (c) resolving Disputes between the Parties, such as Disputes about interpretation of this Agreement, understanding that ImmunoGen has sole authority over the Development, Manufacturing, use and Commercialization of Licensed Products; and (d) such other functions as expressly specified hereunder or as agreed by the Parties. At the time that the first Licensed Product enters a clinical trial, the

Parties shall negotiate in good faith the terms of a separate written safety data exchange agreement that, among other things, will govern the exchange of pharmacovigilance information.

2.3.5. **Resolution by** [***]. All resolution of Disputes by the JDC shall be made by [***]. If the JDC cannot or does not reach [***] on a Dispute, then such Dispute shall be resolved in accordance with Section 10.9 hereof.

2.4. **Alliance Managers**. In addition to the foregoing governance provisions, each of the Parties shall appoint a single individual to serve as that Party's alliance manager ("**Alliance Manager**"). The role of each Alliance Manager will be to participate and otherwise facilitate the relationship between the Parties as established by this Agreement. A Party may replace its Alliance Manager from time to time upon written notice to the other Party.

2.5. **Updates and Reports; Product Recalls**.

2.5.1. **Development Updates**. Upon the request of CytomX, ImmunoGen shall provide CytomX with brief written reports, which CytomX may request no more frequently than [***] until satisfaction of ImmunoGen's obligations under Section 2.2.1 hereof, that shall summarize ImmunoGen's efforts to Develop the Licensed Products in the Field in the Territory in sufficient detail to establish that ImmunoGen is using Commercially Reasonable Efforts to Develop the Licensed Product, identify the applications for Regulatory Approval that ImmunoGen or its Affiliates or Sublicensees have filed, sought or attempted to obtain in the prior [***] period, and any they reasonably expect to file, seek or attempt to obtain in the following [***] period. The Parties agree that the minutes of the JDC meetings may serve as reports hereunder, to the extent such minutes adequately address the above subject matter.

2.5.2. **[Reserved]**

2.5.3. **Product Recalls**. In the event any Regulatory Authority issues or requests a recall or takes similar action with respect to a Licensed Product that ImmunoGen reasonably believes is or may be attributable to or otherwise relates to the Licensed Intellectual Property, or in the event either Party reasonably believes that an event, incident or circumstance has occurred that may result in the need for such a recall, such Party shall promptly notify the other Party thereof by telephone, facsimile or email. Following such notification, ImmunoGen shall decide and have control of whether to conduct a recall or market withdrawal (except in the event of a recall or market withdrawal mandated by a Regulatory Authority, in which case it shall be required) or take such other corrective action in any country and the manner in which any such recall, market withdrawal or

corrective action shall be conducted, provided that ImmunoGen shall keep CytomX informed regarding any such recall, market withdrawal or corrective action as CytomX from time to time may reasonably request, but only to the extent ImmunoGen is legally permitted to do so. ImmunoGen shall bear all expenses of any such recall, market withdrawal or corrective action, including, without limitation, expenses of notification, destruction and return of the affected Licensed Product and any refund to customers of the amounts paid for such Licensed Product.

2.5.4. **Confidential Information**. All reports, updates, product complaints and other information provided by the Disclosing Party to the Receiving Party under this Agreement (including under this Section 2.5), shall be considered Confidential Information of the Disclosing Party, subject to the terms of Article 7 hereof.

2.6. **Transfer and Use of Proprietary Materials**.

2.6.1. **Transfer and Use of CytomX Proprietary Materials**. From time to time during the Term, CytomX may provide ImmunoGen with CytomX Proprietary Materials for use in the Development and Manufacture of Licensed Products under this Agreement. CytomX's Proprietary Materials are provided by CytomX on an "as-is" basis without representation or warranty of any type, express or implied, including any representation or warranty of merchantability, non-infringement, title or fitness for a particular purpose, each of which is hereby disclaimed by CytomX. In connection with the foregoing, ImmunoGen agrees that (a) it shall not use CytomX's Proprietary Materials provided under this Agreement for any purpose other than exercising its rights and performing its obligations hereunder; (b) it shall not use CytomX Proprietary Materials provided under this Agreement in any human subject; (c) it shall use CytomX Proprietary Materials in compliance with all Applicable Laws; (d) it does not acquire any right, title or interest in or to CytomX Proprietary Materials as a result of such provision by CytomX; and (e) upon expiration or termination of this Agreement for any reason, ImmunoGen shall, if and as instructed by CytomX, either destroy or return CytomX Proprietary Materials provided under this Agreement that are not the subject of a continuing license hereunder. ImmunoGen shall be entitled to transfer CytomX Proprietary Materials to any Affiliate, Sublicensee or Permitted Third Party Service Provider under terms obligating such Affiliate, Sublicensee or Permitted Third Party Service Provider not to use or transfer such CytomX Proprietary Materials except in compliance with the preceding sentence.

2.6.2. **Transfer and Use of ImmunoGen Proprietary Materials**. From time to time during the Term, ImmunoGen may provide CytomX with ImmunoGen

Proprietary Materials. CytomX shall use the ImmunoGen Proprietary Materials solely in connection with conducting the specific activities for which such ImmunoGen Proprietary Materials are provided to CytomX, and for no other purpose. Without limiting the generality of the foregoing, except as expressly set forth in this Agreement or in other written authorization by ImmunoGen, CytomX shall not make or attempt to make analogues, progeny or derivatives of, or modifications to, the ImmunoGen Proprietary Materials, using ImmunoGen's Confidential Information, and CytomX shall not use the ImmunoGen Proprietary Materials for the benefit of any Third Party or of its own internal research programs. CytomX shall comply with all Applicable Laws regarding the handling and use of the ImmunoGen Proprietary Materials. CytomX agrees to retain possession over the ImmunoGen Proprietary Materials and not to provide the ImmunoGen Proprietary Materials to any Third Party without ImmunoGen's prior written consent.

2.6.3. **Unauthorized Use of Confidential Information and Proprietary Materials**. In the event that (a) ImmunoGen or any of its Affiliates or Sublicensees use CytomX's Confidential Information (including, without limitation, any Confidential Information within the Licensed Know-How) or CytomX Proprietary Materials for any purpose other than in connection with ImmunoGen's exercise of its rights and performance of its obligations hereunder or the Research Collaboration Agreement (if then in effect) or (b) CytomX or any of its Affiliates uses ImmunoGen's Confidential Information or ImmunoGen Proprietary Materials for any purpose other than the purposes authorized herein or in any other License Agreement or the Research Collaboration Agreement (if then in effect) (in each case, an "**Unauthorized Use**"), the results of such Unauthorized Use, and any discoveries or inventions that arise from such Unauthorized Use, whether patentable or not, shall belong solely and exclusively to the providing Party. If required in order to perfect or enforce the providing Party's ownership of such results, discoveries or inventions, each Party, on behalf of itself and its Affiliates (and in the case of ImmunoGen, its Sublicensees), each hereby assigns and agrees to assign to the providing Party all of its and their right, title and interest in and to all such results, discoveries or inventions made through such Unauthorized Use. Each Party agrees to cooperate, and to cause its Affiliates (and in the case of ImmunoGen, its Sublicensees) to cooperate, with the providing Party, and to execute and deliver any and all documents that the providing Party reasonably deems necessary, to perfect and enforce its rights hereunder.

2.7. **Services**. If, during the Term, ImmunoGen requests that CytomX provide additional services with respect to (a) the creation of new Probodies Targeting the Licensed Target or (b) any other tasks in connection with the Development, Manufacture,

use or Commercialization of Licensed Products with respect to which the Parties may mutually agree, then the Parties shall negotiate in good faith the terms of separate written agreements with respect to such activities.

3. LICENSE GRANTS.

3.1. **License Grants**.

3.1.1. **Commercial License**. Subject to the terms and conditions of this Agreement, CytomX hereby grants to ImmunoGen and its Affiliates an exclusive (even as to CytomX), non-transferable (except as expressly permitted in this Agreement), royalty-bearing license, including the right to grant sublicenses as described in Section 3.1.2 hereof, under the Licensed Intellectual Property, to Develop, make, have made, use, sell, offer for sale, import and otherwise Commercialize Licensed Products in the Field in the Territory. ImmunoGen and its Affiliates shall have the right to engage one or more Affiliates or Third Parties (the latter being referred to herein as "**Permitted Third Party Service Providers**") as subcontractors to perform designated functions in connection with its activities under this Agreement (including transferring Licensed Know-How and CytomX Proprietary Materials as may be necessary for such Permitted Third Party Service Providers to perform such designated functions); provided that (a) ImmunoGen shall [***] and (b) ImmunoGen shall [***].

3.1.2. **Right to Sublicense**. ImmunoGen and its Affiliates shall have the right to grant sublicenses under the rights granted to them under Section 3.1.1 hereof with respect to any Licensed Product to any Sublicensee, provided that (a) each such sublicense shall be consistent with the terms and conditions of this Agreement, (b) ImmunoGen shall [***], (c) ImmunoGen and its Affiliates shall cause [***], (d) ImmunoGen shall [***].

3.2. **Retained Rights and Covenants**.

3.2.1. **Retained Rights.** [***] PDC [***] Cytotoxic Compound [***]

3.2.2. **Covenants.** [***] PDC [***] Cytotoxic Compound [***] PDC [***] Cytotoxic Compound [***]

3.3. **License to ImmunoGen Probody Platform Improvements**. ImmunoGen, on behalf of itself and its Affiliates, hereby grants to CytomX a non-exclusive, sublicensable, perpetual, irrevocable, royalty-free worldwide license under ImmunoGen's interest in any ImmunoGen Probody Platform Improvements, including, without limitation, any Patent Rights claiming such ImmunoGen Probody Platform Improvements, to exploit such ImmunoGen Probody Platform Improvements (a) for any purpose in the Field other than developing, manufacturing, using or commercializing PDCs having a Payload that is a

Cytotoxic Compound[3] and (b) for any purpose outside of the Field. Nothing in this Agreement shall be construed as obligating ImmunoGen to [***] or any of its Affiliates or any Third Party [***].

3.4. **Section 365(n) of Bankruptcy Code**. All rights and licenses now or hereinafter granted by either Party to the other Party under or pursuant to any section of this Agreement, including the licensed granted in this Article 3, are rights to "intellectual property" (as defined in Section 101(35A) of Title 11 of the United States Code, as amended (such Title 11, the "**Bankruptcy Code**")). The Parties hereto acknowledge and agree that the payments provided for under Article 4 hereof, other than royalty payments pursuant to Section 4.2 hereof, do not constitute royalties within the meaning of Section 365(n) of the Bankruptcy Code or relate to licenses of intellectual property under this Agreement.

3.5. **No Implied Rights**. Except as expressly provided in this Agreement, neither Party shall be deemed, by estoppel, implication or otherwise, to have granted the other Party any license or other right with respect to any intellectual property of such Party.

4. PAYMENTS.

4.1. **Milestone Payments**.

4.1.1. **Development Milestones**. Within [***] following the first occurrence of each event (each, a "**Development Milestone**") described below for the first Licensed Product that achieves such milestone, ImmunoGen shall provide written notice to CytomX identifying the Development Milestone achieved, and ImmunoGen shall pay to CytomX the amount set forth below within [***] of receipt of CytomX's notice with respect to such Development Milestone (each such amount, a "**Development Milestone Payment**") to be payable only once regardless of how many Licensed Products achieve such Development Milestone.

Development Milestone	Payment
Dosing of first patient in a Phase 1 Clinical Study	[***]
Dosing of first patient in a Phase 2 Clinical Study*	[***]
Dosing of first patient in a Phase 3 Clinical Study	[***]
Date of filing of BLA	[***]
Date of receipt of Regulatory Approval in [***]	[***]
Date of receipt of Regulatory Marketing Approval in [***]	[***]
Date of receipt of Regulatory Marketing Approval in [***]	[***]

[3] [***] "Cytotoxic Compound" [***]

If a clinical milestone is achieved and any previous clinical milestone has not yet been achieved for any reason, notwithstanding anything herein to the contrary such previous milestone(s) shall be deemed to have been achieved and the corresponding Development Milestone Payment set forth in the table above shall be payable simultaneously with the Development Milestone Payment for the achievement of the subsequent Milestone. All Development Milestone Payments shall be non-refundable and noncreditable.

4.1.2. **Sales Milestones**. ImmunoGen shall pay to CytomX the following one-time payments (each, a "**Sales Milestone Payment**") when aggregate Annual Net Sales of a Licensed Product in the Territory in a Calendar Year first reach the respective threshold (a "**Sales Threshold**") indicated below (each, a "**Sales Milestone**"):

Total Annual Net Sales	Sales Milestone Payment
Total Annual Net Sales at least equal $500,000,000	[***]
Total Annual Net Sales at least equal $750,000,000	[***]
Total Annual Net Sales at least equal $1,000,000,000	[***]
Total Annual Net Sales at least equal $1,500,000,000	[***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Any Sales Milestone Payment with respect to any Calendar Year shall be payable within [***] of the end of such Calendar Year in the United States. Each Sales Milestone Payment is payable a maximum of one time only, regardless of the number of times a Licensed Product achieves a particular Sales Threshold or the number of Licensed Products that achieve a particular Sales Threshold. All Sales Milestone Payments shall be nonrefundable and noncreditable.

4.2. **Royalties**.

4.2.1. **Royalty Payments**. With respect to each Licensed Product and subject to the provisions of Section 4.2.2 hereof, ImmunoGen shall pay CytomX royalties in the amount of the applicable rates ("**Marginal Royalty Rates**") set forth below of Annual Net Sales of such Licensed Product during the Royalty Term:

Annual Net Sales	**Marginal Royalty Rate for Licensed Products (% of Annual Net Sales)**
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%
Annual Net Sales of such Licensed Product during a given Calendar Year [***]	[***]%

4.2.2. **Marginal Royalty Rate Application**. Each Marginal Royalty Rate set forth in the table above shall apply only to that portion of the Annual Net Sales of a given Licensed Product in the Territory during a given Calendar Year that falls within the indicated range.

4.2.3. **Royalty Adjustments**.

(a) Third Party Royalty Offset. Subject to Section 4.2.3(e) hereof, if, with respect to a Calendar Quarter, ImmunoGen or any of its Affiliates or Sublicensees [***] to one or more Third Parties in consideration of a [***], in the absence of which ImmunoGen could not practice the

Licensed Intellectual Property to [***] or [***] the [***] or [***] of the [***] portion of any Licensed Product [***] owned or exclusively licensed by such Third Party in any country (collectively, "**Third Party Payments**"), [***] then ImmunoGen shall have the right to reduce the royalties otherwise due to CytomX pursuant to Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof (but not the royalties otherwise due to CytomX pursuant to Section 4.2.3(b) hereof) with respect to Net Sales in such country of such Licensed Products in such Calendar Quarter by an amount equal to [***] of the amount of such Third Party Payments. [***] For the avoidance of doubt, the Parties agree and acknowledge that this Section 4.2.3(a) shall not apply with respect to royalties payable by a Party to any Third Party under any agreement in existence as of the Effective Date.

(b) Valid Claim Coverage.

(i) No Patent Coverage. Subject to Section 4.2.3(e) hereof, the royalty rates set forth in Sections 4.2.1, 4.2.3(c) and 4.2.3(d) hereof shall apply, on a country-by-country basis and Licensed Product-by-Licensed Product basis, to Net Sales of Licensed Products only where (A) such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country is Covered by a Valid Claim within the Licensed Patent Rights or (B) such Licensed Product (or any component or intermediate thereof) was manufactured in a country where the manufacture of such Licensed Product (or such component or intermediate), was, at the time of its manufacture, Covered by a Valid Claim within the Licensed Patent Rights, regardless of the country in which such Licensed Product is sold. Subject to the other terms of this Agreement (except for Section 4.2.3(a) hereof, which shall not apply), on a country-by-country and Licensed Product-by-Licensed Product basis where and as of and when the royalty rates under Sections 4.2.1, 4.2.3(c) and 4.2.3(d) hereof do not apply as a result of this Section 4.2.3(b)(i), the royalties payable with respect to Net Sales of such Licensed Product sold by ImmunoGen, its Affiliates and its Sublicensees in such country shall be reduced by [***] of the royalties otherwise owed to CytomX pursuant to Section 4.2.1 or 4.2.3(d) hereof, as applicable, without giving effect to any royalty reduction provided in Section 4.2.3(c) hereof, using the methodology outlined in Exhibit B attached hereto. The Parties hereby acknowledge and agree that such royalties shall be in consideration of the commercial advantage, know-how and background information gained from the unpatented Licensed Know-How, including, without limitation, CytomX's Confidential Information and CytomX Proprietary Materials.

(ii) Applicability of Royalty Rates. For purposes of clarity, (A) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is Covered by a Valid Claim in a country within the Territory such that royalties are paid by ImmunoGen pursuant to Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (and its manufacture, use, sale, offer for sale or importation) is no longer Covered by a Valid Claim in such country, ImmunoGen shall pay CytomX a royalty at the rate set forth in Section 4.2.1(b)(i) hereof for the portion of the Royalty Term during which no such Valid Claim Covers such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country; and (B) if a Licensed Product (or its manufacture, use, sale, offer for sale or importation) is not Covered by a Valid Claim in a country within the Territory such that royalties are paid by ImmunoGen pursuant to Section 4.2.1(b)(i) hereof and, prior to the expiration of the Royalty Term for such Licensed Product in such country, the Licensed Product (or its manufacture, use, sale, offer for sale or importation) becomes Covered by a Valid Claim within the Licensed Patent Rights in such country, ImmunoGen shall pay CytomX a royalty at the rates set forth in Section 4.2.1, 4.2.3(c) or 4.2.3(d) hereof, as applicable, for that portion of the Royalty Term during which such Valid Claim Covers such Licensed Product (or its manufacture, use, sale, offer for sale or importation) in such country.

(iii) Definition of "Cover". A Valid Claim within the Licensed Patent Rights "**Covers**" the Licensed Product (or its manufacture, use, sale, offer for sale or importation) in a country if, but for the license granted under Section 3.1.1 hereof, the manufacture, use, sale, offer for sale or importation of the Licensed Product by ImmunoGen or any of its Affiliates or Sublicensees in such country would infringe such Valid Claim; provided, however, that in determining whether a Valid Claim within such Licensed Patent Rights "**Covers**" (as defined above) the Licensed Product (or its manufacture, use, sale, offer for sale or importation), (A) any Valid Claim within the Licensed Patent Rights that is jointly owned by ImmunoGen (or any of its Affiliates) with CytomX (or any of its Affiliates) shall be deemed to be owned solely by CytomX or an

Affiliate of CytomX and (B) any Valid Claim contained in [***] within the Licensed Patent Rights that has not been (1) canceled, withdrawn or abandoned or (2) [***] shall be deemed to have been issued.

(c) Loss of Market Exclusivity. Subject to Section 4.2.3(e) hereof, if, with respect to a Calendar Quarter, ImmunoGen or any of its Affiliates or Sublicensees experiences a Loss of Market Exclusivity for a Licensed Product in any country, then ImmunoGen shall have the right to reduce the royalties otherwise due to CytomX pursuant to Section 4.2.1 or 4.2.3(d) hereof (but not the royalties otherwise due to CytomX under Section 4.2.3(b) hereof) with respect to Net Sales in such country of such Licensed Products in such Calendar Quarter as described below, in each case using a methodology similar to that outlined in Exhibit B attached hereto. [***]

(d) Effect of Challenge. In further consideration of the grant by CytomX of the license hereunder and except to the extent the following is unenforceable under the Applicable Laws of a particular jurisdiction where a patent application within the Licensed Patent Rights is pending or a patent within the Licensed Patent Rights is issued, if CytomX, its Affiliates or Sublicensees initiates a Challenge or induces or assists a Third Party in initiating or prosecuting a Challenge (the Licensed Patent Rights subject to such Challenge being referred to herein as the "**Challenged Patent Rights**"), then during the period that such Challenge is pending, the royalty rates set forth in Section 4.2.1 hereof shall be increased by [***] of annual Net Sales (the "**Challenge-Related Royalty Increase**") in the country(ies) in which the Challenged Patent Rights were pending or issued (each, a "**Challenge Jurisdiction**") commencing on the date of such initiation or the date ImmunoGen, its Affiliates or Sublicensees first induces or provides assistance to such Third Party, as applicable, but only with respect to Net Sales of Licensed Products in the applicable Challenge Jurisdiction(s). If, following the final, unappealable conclusion of a Challenge in a Challenge Jurisdiction, there remains one or more Valid Claims within the Challenged Patent Rights that would be infringed by the manufacture, use, sale, offer for sale or importation then (i) the royalty rates set forth in Section 4.2.1 hereof shall be increased by [***] of annual Net Sales (which shall be in addition to the Challenge-Related Royalty Increase) in the applicable Challenge Jurisdiction, commencing upon the final, unappealable conclusion of such Challenge and continuing for the remainder of the Royalty Term in the applicable Challenge Jurisdiction, and (ii) ImmunoGen shall reimburse CytomX for its costs and expenses (including, without limitation, reasonable attorneys'

and experts' fees and expenses of litigation) incurred in responding to the Challenge. ImmunoGen shall be required to pay such reimbursement within [***] of receiving an invoice therefor from CytomX, which shall set forth in reasonable detail the basis for the charges for which CytomX is seeking reimbursement. If, following the final, unappealable conclusion of a Challenge in a Challenge Jurisdiction, there remain no Valid Claims within the Challenged Patent Rights that would be infringed by the manufacture, use, sale, offer for sale or importation of Licensed Products by ImmunoGen or any of its Affiliates or Sublicensees in such Challenge Jurisdiction in the absence of the license granted under Section 3.1.1 hereof, then CytomX shall reimburse ImmunoGen for all amounts with respect to the Challenge-Related Royalty Increase actually paid by ImmunoGen to CytomX with respect to the Challenge Jurisdiction (the "**Clawback Amount**") as follows: [***].

(e) Minimum Royalty Rate. Anything contained in this Agreement to the contrary notwithstanding, none of the reductions to royalties provided in Sections 4.2.3(a), 4.2.3(b) and 4.2.3(c) hereof, shall, individually or in the aggregate, reduce the royalties payable with respect to Net Sales of any Licensed Product sold by ImmunoGen, its Affiliates and its Sublicensees in any country during the Royalty Term by [***] of the royalties otherwise owed to CytomX pursuant to Section 4.2.1 or 4.2.3(d), as applicable, without giving effect to any royalty reduction provided in Section 4.2.3(a), 4.2.3(b) or 4.2.3(c) hereof.

4.3. **Reports and Payments**.

4.3.1. **Cumulative Royalties**. The obligation to pay royalties under Section 4.2 shall be imposed only once with respect to a single unit of a Licensed Product regardless of how many Valid Claims in Patent Rights included within the Licensed Intellectual Property would, but for this Agreement, be infringed by the use or sale of such Licensed Product in the country in which such Licensed Product is used or sold.

4.3.2. **Royalty Statements and Payments**. Within [***] after the end of each Calendar Quarter, ImmunoGen shall deliver to CytomX a report setting forth for such Calendar Quarter the following information, on a Licensed Product-by-Licensed Product basis: (a) the gross sales (if available) and the Net Sales of each Licensed Product (specifying in reasonable detail the deductions to gross sales used to calculate Net Sales, (b) the basis for any adjustments to the royalty payable for the sale of each Licensed Product, (c) the applicable exchange rate to convert each country's currency to U.S. Dollars under Section 4.3.4 hereof and (d) the

royalties due hereunder for the sale of each Licensed Product. No such reports shall be due for any Licensed Product before the First Commercial Sale of such Licensed Product in the Territory. The total royalty due for the sale of Licensed Products during such Calendar Quarter shall be remitted at the time such report is delivered.

4.3.3. **No Set-Off; Taxes and Withholding**. All payments made by ImmunoGen to CytomX hereunder shall be made without set-off or counterclaim and free and clear of any taxes, duties, levies, fees or charges, except withholding taxes, if any. In the event any of the payments made pursuant to this Agreement become subject to withholding taxes under the Applicable Law of any jurisdiction, ImmunoGen shall deduct and withhold the amount of such taxes for the account of CytomX, to the extent required by Applicable Law, such amounts payable to CytomX shall be reduced by the amount of taxes deducted and withheld, and ImmunoGen shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner and promptly transmit to CytomX an official tax certificate or other evidence of such tax obligations together with proof of payment from the relevant Governmental Authority of all amounts deducted and withheld sufficient to enable CytomX to claim such payment of taxes. Any such withholding taxes required under Applicable Law to be paid or withheld shall be an expense of, and borne solely by, CytomX. ImmunoGen will provide CytomX with reasonable assistance to enable CytomX to recover such taxes as permitted by Applicable Law.

4.3.4. **Currency**. All amounts payable and calculations hereunder shall be in United States dollars, and all payments due under this Agreement shall be made by wire transfer in immediately available funds to an account designated by the Party owed such payment. As applicable, Net Sales and any royalty deductions shall be converted into United States dollars in accordance with the ImmunoGen Standard Exchange Rate Methodology.

4.3.5. **Overdue Payments**. Subject to the other terms of this Agreement, any payments hereunder not paid within the applicable time period set forth herein shall bear interest from the due date until paid in full, at a rate per annum equal to the lesser of (a) [***], or (b) the maximum interest rate permitted by applicable law in regard to such payments, calculated in each case from the date such payment was due through to the date on which payment is actually made; provided, however, that with respect to any disputed payments, no interest shall be due until such dispute is resolved and the interest that shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made. Such payments when made shall be

accompanied by all interest so accrued. Such interest and the payment and acceptance thereof shall not negate or waive the right of CytomX to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

4.4. **Maintenance of Records; Audits**.

4.4.1. **Record Keeping**. ImmunoGen shall keep, and cause its Affiliates and Sublicensees to keep, accurate books of account and records in connection with the sale of Licensed Products, in sufficient detail to permit accurate determination of all figures necessary for verification of royalties to be paid hereunder. ImmunoGen shall maintain, and cause its Affiliates and Sublicensees to maintain, such records for a period of at least [***] after the end of the Calendar Year in which they were generated.

4.4.2. **Audits**. Upon [***] prior written notice from CytomX, ImmunoGen shall permit an independent certified public accounting firm of internationally recognized standing selected by CytomX and reasonably acceptable to ImmunoGen to examine, at CytomX's sole expense, the relevant books and records of ImmunoGen, its Affiliates and Sublicensees during the period covered by such examination, as may be reasonably necessary to verify the accuracy of the reports submitted by ImmunoGen in accordance with Section 4.3 hereof and the payment of royalties hereunder. An examination by CytomX under this Section 4.4.2 shall occur not more than once in any Calendar Year and shall be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. The accounting firm shall be provided access to such books and records at the facilities where such books and records are kept and such examination shall be conducted during normal business hours. ImmunoGen may require the accounting firm to sign a reasonable and customary non-disclosure agreement before providing the accounting firm access to ImmunoGen's facilities or records. Upon completion of the audit, the accounting firm shall provide both CytomX and ImmunoGen a written report disclosing whether the reports submitted by ImmunoGen are correct or incorrect, whether the royalties paid are correct or incorrect and, in each case, the specific details concerning any discrepancies. ImmunoGen and CytomX shall each have the right to request a further determination by such accounting firm as to matters which such Party disputes within [***] following receipt of such report. The Party initiating a dispute will provide the other Party and the accounting firm with a reasonably detailed statement of the grounds upon which it disputes any findings in the written report and the accounting firm shall undertake to complete such further determination within [***] after the dispute notice is provided, which determination shall be limited to the disputed matters and provided to both

Parties. The Parties shall use reasonable efforts, through the participation of finance representatives of both Parties, to resolve any dispute arising in relation to the audit by good faith discussion. The results of any such audit, reflecting the accounting firm's determination of any disputed matters, shall be binding on both Parties.

4.4.3. **Underpayments/Overpayments**. If such accounting firm concludes that additional royalties were due to CytomX, ImmunoGen shall pay the additional royalties (plus interest thereon at the rate provided in Section 4.3.5 hereof) within [***] of the date ImmunoGen receives such accountant's written report so concluding. If such underpayment exceeds [***] of the royalties that were to be paid [***], ImmunoGen also shall reimburse CytomX for all reasonable charges of such accountants for conducting the audit. If such accounting firm concludes that ImmunoGen overpaid royalties, CytomX shall repay such amount in full within [***] of the receipt of such accountant's report, or, at ImmunoGen's option, it shall be entitled to offset all such overpayments against any outstanding or future amounts payable to CytomX hereunder until ImmunoGen has received full credit for such overpayments.

4.4.4. **Confidentiality**. All financial information that is subject to review under this Section 4.4 shall be deemed to be the Confidential Information of the audited Party subject to the provisions of Article 6 hereof.

5. INTELLECTUAL PROPERTY.

5.1. **Inventions**.

5.1.1. **Ownership**. All determinations of inventorship under this Agreement shall be made in accordance with the laws of the United States. Determinations of ownership of intellectual property hereunder will be made in accordance with inventorship.

(a) **CytomX Solely Owned Technology**. As between the Parties, CytomX shall be the sole owner of all Licensed Intellectual Property (other than Joint Program Technology and Joint Probody Platform Improvements included therein and any Joint Patent Rights).

(b) **ImmunoGen Solely Owned Technology**. As between the Parties, ImmunoGen shall be the sole owner of all ImmunoGen Program Technology and ImmunoGen Probody Platform Improvements and any Patent Rights claiming such ImmunoGen Program Technology and ImmunoGen Probody Platform Improvements.

(c) **Jointly Owned Technology**. All Joint Program Technology and Joint Probody Platform Improvements (including, without limitation, all Joint Patent Rights) shall be jointly owned by the Parties, with each Party holding an undivided one-half interest therein. Subject to the Parties' other rights and obligations under this Agreement and any then-outstanding License Agreement, each Party shall be [***].

5.1.2. **Disclosure**. ImmunoGen shall, no less than [***] before filing any initial Patent Right disclosing ImmunoGen Probody Platform Improvements or any Joint Program Technology or Joint Probody Platform Improvements or any other Patent Right that contains CytomX's Confidential Information, provide a copy of such disclosure to CytomX. CytomX shall, no less than [***] before filing any initial Patent Right disclosing Joint Program Technology or Joint Probody Platform Improvements or any other Patent Right that contains ImmunoGen's Confidential Information, provide a copy of such disclosure to ImmunoGen. In each case, such disclosures to the other Party shall include all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates', employees, agents or independent contractors describing such invention and the proposed inventorship of any new Patent Rights intended to be filed. The other Party shall promptly raise any issue regarding inventorship of any such Patent Rights, and the Parties agree to determine the correct inventorship of any Patent Rights in accordance with Section 10.10.1 hereof.

5.2. **Filing, Prosecution and Maintenance of Patent Rights**.

5.2.1. **Cooperation**. Without limiting any other rights and obligations of the Parties under this Agreement, the Parties shall cooperate with respect to the timing, scope and filing of patent applications and patent claims relating to any Joint Program Technology to preserve and enhance the patent protection for Licensed Products, including the manufacture and use thereof and to allow the Party owning the technology underlying an Improvement to have reasonable input to preserve and enhance its patent portfolio and patenting strategy.

5.2.2. **CytomX Patent Rights**. CytomX, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, all Licensed Patent Rights (other than Licensed Patent Rights claiming Joint Program Technology or Joint Probody Platform Improvements). With respect to any Licensed Patent Rights disclosing or claiming Program Technology (other than Probody Platform Improvements included in the Program Technology), CytomX shall keep ImmunoGen reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights and shall consider in good faith any recommendations made by ImmunoGen in regard to

the filing, prosecution or maintenance of any such Patent Right. CytomX shall consult with ImmunoGen in the filing, prosecution and maintenance of any CytomX Patent Right related to Improvements to ImmunoGen Technology and shall not unreasonably refuse to incorporate any recommendations made by ImmunoGen in regard to such filing, prosecution or maintenance. To the extent CytomX decides not to file, prosecute or maintain any Licensed Patent Right that CytomX reasonably believes covers or may cover the Development, Manufacture, Commercialization or use of any Licensed Product (other than any such Patent Right owned or co-owned by a Third Party licensor or the filing of a new initial patent application) and except in the case in which the decision not to file, prosecute or maintain such Patent Right is made by CytomX in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the Licensed Intellectual Property, CytomX shall provide ImmunoGen with [***] prior written notice to such effect (*i.e.*, at least [***] prior to the date on which any such filing is intended or due or on which any other such action is due), in which event ImmunoGen may elect to file or continue prosecution or maintenance of such Patent Right, at ImmunoGen's expense, and CytomX, upon ImmunoGen's written request received within such [***] period, shall execute such documents and perform such acts, at ImmunoGen's expense, as may be reasonably necessary to permit ImmunoGen to file, prosecute and maintain such Patent Right; provided that ImmunoGen (a) shall keep CytomX reasonably informed of the status of the filing, prosecution and maintenance of such Patent Rights, (b) shall consider in good faith any recommendations made by CytomX in regard to such filing, prosecution and maintenance of such Patent Right, and (c) shall not unreasonably refuse to incorporate any recommendations made by CytomX in regard to such filing, prosecution or maintenance. Any such Patent Right that is prosecuted or maintained by ImmunoGen pursuant to this Section 5.2.2 (a) will continue to be owned by CytomX, and (b) subject to the Parties' other rights and obligations under this Agreement, may be licensed by CytomX to one or more Third Parties. For avoidance of doubt, "prosecution" as used in this Section 5.2 includes oppositions, nullity or revocation actions, post-grant reviews and other patent office proceedings involving the referenced Patent Rights.

5.2.3. **ImmunoGen Patent Rights**. ImmunoGen, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, any Patent Rights comprised in the ImmunoGen Probody Platform Improvements. ImmunoGen shall consult with CytomX in the filing, prosecution and maintenance of any Patent Right related to ImmunoGen Probody Platform Improvements (including, without limitation, keeping CytomX reasonably informed of the status thereof), shall consider in good faith any recommendations made by CytomX in regard to such filing, prosecution or

maintenance, and shall not unreasonably refuse to incorporate any recommendations made by CytomX in regard to such filing, prosecution or maintenance. Nothing contained in this Agreement shall be construed as obligating ImmunoGen to file any patent application in any country or other jurisdiction relating to ImmunoGen Probody Platform Improvements.

5.2.4. **Joint Patent Rights**. If not already established under the Research Collaboration Agreement, prior to either Party filing any Patent Right disclosing Joint Program Technology or Joint Probody Platform Improvements, the Parties shall establish a patent committee (the "**Patent Committee**") comprised of at least one (1) representative of each Party for the purpose of facilitating the preparation, filing, prosecution, maintenance and defense of Joint Patent Rights. As agreed upon by the Parties, meetings of the Patent Committee may be face-to-face or may be conducted by teleconferences or videoconferences, from time to time as needed. The Patent Committee will be the forum through which the Parties coordinate their respective obligations to each other described in Sections 5.2.2 and 5.2.3 hereof and in this Section. In the event the Parties conceive or generate any Joint Program Technology or Joint Probody Platform Improvements, the Parties shall promptly meet to discuss and determine, based on mutual consent, whether to seek patent protection thereon, which Party will control filing, prosecution and maintenance of such patents and how to pay for the filing, prosecution and maintenance of such patents. It is presumed that ImmunoGen will control filing, prosecution and maintenance of Joint Patent Rights claiming Joint Program Technology or Joint Conjugation Probody Platform Improvements, and that CytomX will control filing, prosecution and maintenance of Joint Patent Rights claiming Joint Unconjugated Probody Platform Improvements. Neither Party will file any Joint Patent Right without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. The Party controlling filing and prosecution of any such Joint Patent Right (a) shall keep the other Party informed regarding each Patent Right, (b) shall consider in good faith any recommendations made by the other Party in regard to the filing, prosecution or maintenance of any such Patent Right and (c) shall not unreasonably refuse to incorporate any recommendations made by the other Party in regard to such filing, prosecution or maintenance.

5.2.5. **Improper Patent Filings**. Each Party agrees that, without the prior written consent of the other Party, neither it nor any of its Affiliates will [***].

5.2.6. **Liability**. Except for breaches of Section 5.2.5 hereof, to the extent that a Party is obtaining, prosecuting or maintaining a Patent Right included in the Licensed Intellectual Property or Joint Patent Rights or otherwise exercising its rights under this Section 5.2, such Party, and its Affiliates, employees, agents or

representatives, shall not be liable to the other Party in respect of any act or omission on the part of any such Party, or its Affiliates, employees, agents or representatives, in connection with such activities undertaken in good faith.

5.2.7. **Extensions**. The decision to file for a patent term extension and particulars thereof (including which patent(s) to extend) will be made with the goal of obtaining the optimal patent term and scope of protection for Licensed Products. If a Party wishes to file for a patent term extension based on Patent Rights owned by the other Party, it will so notify the other Party, and the Parties will meet to discuss and determine whether and how to proceed with such patent term extension.

5.3. **Joint Research Agreement**. This Agreement shall be understood to be a joint research agreement under 35 U.S.C. § 103(c)(3) entered into for the purpose of Developing Licensed Products.

5.4. **Enforcement of Patent Rights**.

5.4.1. **Notice**. If either CytomX or ImmunoGen becomes aware of any infringement anywhere in the world of any issued Patent Right within the Licensed Intellectual Property or Joint Patent Rights by any Third Party (an "**Infringement**"), such Party shall promptly notify the other Party in writing to that effect.

5.4.2. **Infringement of Certain Patent Rights**.

(a) In the event of any Infringement of a Patent Right included in the Licensed Intellectual Property (including, without limitation, Joint Patent Rights included in the Joint Unconjugated Probody Platform Improvements but excluding Joint Patent Rights included in the Joint Program Technology (other than Joint Unconjugated Probody Platform Improvements)), CytomX shall have the first right to take action to obtain a discontinuance of Infringement or bring suit against a Third Party infringer of such Patent Right within [***] from the date of notice.

(b) CytomX shall bear all the expenses of any suit brought by it claiming infringement of any such Patent Right. ImmunoGen shall reasonably cooperate with CytomX in any such suit and shall have the right to consult with CytomX and to participate in and be represented by independent counsel in such litigation at its own expense. CytomX shall incur no liability to ImmunoGen as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such Patent Right invalid or unenforceable, and CytomX shall not,

without ImmunoGen's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), enter into any settlement or consent decree that admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(c) If CytomX has not obtained a discontinuance of such Infringement by, or filed suit against, any such Third Party infringer within the [***] period set forth in subsection (a) above, then ImmunoGen shall have the right, but not the obligation, to bring suit against such Third Party infringer, at ImmunoGen's sole expense, under any Licensed Intellectual Property. CytomX shall reasonably cooperate with ImmunoGen in any such litigation, including being joined as a party, at ImmunoGen's expense, provided that CytomX may, at its sole discretion, elect to be represented by independent counsel in such litigation at its own expense. ImmunoGen shall incur no liability to CytomX as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such CytomX Patent Right invalid or unenforceable; and ImmunoGen shall not, without CytomX's prior written consent (which CytomX may withhold in its sole discretion), enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to CytomX or admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(d) In the event of any Infringement of a Joint Patent Right included in the Joint Program Technology (other than Joint Unconjugated Probody Platform Improvements), ImmunoGen shall have the first right to take action to obtain a discontinuance of Infringement or bring suit against a Third Party infringer of such Patent Right within [***] from the date of notice.

(e) ImmunoGen shall bear all the expenses of any suit brought by it claiming infringement of any such Patent Right. CytomX shall reasonably cooperate with ImmunoGen in any such suit and shall have the right to consult with ImmunoGen and to participate in and be represented by independent counsel in such litigation at its own expense. ImmunoGen shall incur no liability to CytomX as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such Patent Right invalid or unenforceable, and ImmunoGen shall not, without CytomX's prior written consent, enter into any settlement or consent decree that admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(f) If ImmunoGen has not obtained a discontinuance of such Infringement by, or filed suit against, any such Third Party infringer within the [***] period set forth in subsection (d) above, then CytomX shall have the right, but not the obligation, to bring suit against such Third Party infringer, at CytomX's sole expense, under any ImmunoGen Probody Platform Improvements. ImmunoGen shall reasonably cooperate with CytomX in any such litigation, including being joined as a party, at CytomX's expense, provided that ImmunoGen may, at its sole discretion, elect to be represented by independent counsel in such litigation at its own expense. CytomX shall incur no liability to ImmunoGen as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such ImmunoGen Patent Right invalid or unenforceable; and CytomX shall not, without ImmunoGen's prior written consent (which ImmunoGen may withhold in its sole discretion), enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to ImmunoGen or admits the invalidity or unenforceability or limits the scope of any such Patent Right

(g) The enforcing Party shall keep the other Party reasonably informed of all material developments in connection with any such suit. Any recoveries obtained by either Party as a result of any proceeding against such a Third Party infringer ("**Monies**") shall be allocated as follows:

(i) the Monies will be distributed first to the controlling Party for its out-of-pocket litigation costs and expenses incurred in connection with such litigation; then

(ii) the Monies will then be distributed to the other Party for its out-of-pocket litigation costs and expenses incurred in connection with such litigation; then

(iii) [***]; or

(iv) [***]; or

(v) [***]; then

(vi) [***]; or

(vii) [***].

(h) **Other Infringement**. For any infringement of Patent Rights owned by ImmunoGen or licensed by ImmunoGen from Third Parties, ImmunoGen retains the sole right (as between the Parties), but not the obligation, to enforce such Patent Rights.

(i) **Infringement of Joint Patent Rights**. With respect to any notice of a Third Party infringer of any Joint Patent Right other than a Patent Right included in the Joint Program Technology or Joint Probody Platform Improvements, the Parties shall meet as soon as reasonably practicable to discuss such infringement and determine an appropriate course of action and the Parties' respective rights and responsibilities with respect to any enforcement thereof.

5.5. **Response to Biosimilar Applicants**.

5.5.1. Notice. In the event that ImmunoGen (a) receives a copy of a Biosimilar Application, whether or not such copy is provided under any Applicable Laws (including the BPCIA, the United States Patient Protection and Affordable Care Act, implementing FDA regulations and guidance or similar foreign laws or regulations) applicable to the approval or manufacture of any biosimilar or interchangeable biological product (a "**Proposed Biosimilar Product**") for which a Licensed Product is a "reference product," as such term is used in the BPCIA, or (b) otherwise becomes aware that such a Biosimilar Application has been filed (such as in an instance described in Section 351(l)(9)(C) of the PHSA), then ImmunoGen shall promptly provide CytomX with written notice.

5.5.2. Access to Confidential Information. Upon written request from CytomX and to the extent permitted by Applicable Laws, ImmunoGen shall provide CytomX with confidential access to those portions of the Biosimilar Application and such other information provided to ImmunoGen by the Third Party that submitted the Biosimilar Application (the "**Applicant**") that describe the Linker and Payload of the Proposed Biosimilar Product or the method(s) of conjugating the cell-binding moiety of the Proposed Biosimilar Product to its Payload; provided, however, that prior to receiving the Biosimilar Application and such confidential information, CytomX shall provide notice to ImmunoGen and the Applicant confirming its agreement to be subject to the confidentiality provisions in Section 351(l)(1)(B)(iii) of the PHSA. For purposes of clarity, the Parties acknowledge and agree that CytomX has retained a right to assert any patent within the Licensed Patent Rights and participate in litigation concerning any such patent.

5.5.3. Proposed Patent List.

(a) Preparation of Proposed Patent List. Not later than [***] days from the date of receipt by ImmunoGen of a copy of a Biosimilar Application

and related manufacturing information, ImmunoGen, with cooperation from CytomX, shall prepare and provide CytomX with a list (the "**Proposed Patent List**") of (i) those patents within the Licensed Patent Rights that ImmunoGen reasonably believes would be infringed by the manufacture and/or sale of the Proposed Biosimilar Product and (ii) those patents within the Licensed Patent Rights, if any, that ImmunoGen would be willing to sublicense to such Applicant in accordance with the terms of this Agreement. As soon as practicable following the date of receipt by CytomX of the Proposed Patent List, CytomX and ImmunoGen shall discuss in good faith the patents within the Licensed Patent Rights to be included on the Proposed Patent List and ImmunoGen shall consider in good faith CytomX's proposals for changes to the Proposed Patent List with respect to the patents within the Licensed Patent Rights. Not later than the end of the period specified by Applicable Laws, ImmunoGen shall provide the Applicant with a copy of the Proposed Patent List; provided, however, that ImmunoGen shall incorporate certain CytomX requests in accordance with Section 5.5.3(d) hereof. Notwithstanding the enforcement rights with respect to the Licensed Patent Rights set forth in Section 5.2.2 hereof, ImmunoGen shall have the right to include any of the patents within the Licensed Patent Rights on the Proposed Patent List to the extent that ImmunoGen reasonably believes that a claim of patent infringement for such patent could be asserted by either CytomX or ImmunoGen; provided, however, that the right to control any suit or proceeding in which such a claim is asserted shall be as set forth in Section 5.5.4 hereof.

(b) Disclosure of Applicant's Response. Provided that CytomX has agreed to comply with the confidentiality provisions in Section 351(l)(1)(B)(iii) of the PHSA and to the extent permitted by Applicable Laws, ImmunoGen shall provide to CytomX the portion of the Applicant Response (as defined below) pertaining to the Licensed Patent Rights no later than [***] days from the date of receipt by ImmunoGen of a response from the Applicant with regard to any patent within the Licensed Patent Rights included on the Proposed Patent List, including any response required by the BPCIA (the "**Applicant Response**").

(c) Preparation of ImmunoGen Response. Not later than [***] days from the date of receipt by ImmunoGen of the Applicant Response, ImmunoGen, with cooperation and assistance from CytomX, shall prepare and provide CytomX with a proposed response with respect to the Licensed Patent Rights (the "**ImmunoGen Response**") that (i) describes on a claim-by-claim basis, how each patent within the Licensed Patent

Rights on the Proposed Patent List would be infringed by the commercial marketing of the Proposed Biosimilar Product, and (ii) responds to Applicant's claims, if any, that the patents within the Licensed Patent Rights on the Proposed Patent List are invalid or unenforceable. The ImmunoGen Response shall include only the foregoing and shall not be construed to include any proposed response to the Applicant relating to any patents other than the Licensed Patent Rights; further, any actual response to the Applicant under the BPCIA and all decisions relating to subsequent procedures under the BPCIA with regard to any patent other than those included within the Licensed Patent Rights shall be within the sole discretion of ImmunoGen. As soon as practicable following the date of receipt by CytomX of the proposed ImmunoGen Response, the Parties shall discuss in good faith the statements in the proposed ImmunoGen Response and ImmunoGen shall consider in good faith CytomX's proposals for changes to the ImmunoGen Response. Not later than the end of the period specified by Applicable Laws, ImmunoGen shall provide the Applicant with a copy of the ImmunoGen Response; provided, however, that ImmunoGen shall incorporate certain CytomX requests in accordance with Section 5.5.3(d) hereof.

(d) Inclusion of Licensed Patent Rights or Responsive Information. Provided that ImmunoGen is legally able under Applicable Law to provide CytomX with a copy of the Biosimilar Application (and related manufacturing agreement) and CytomX has provided notice to ImmunoGen and Applicant confirming its agreement to be subject to the confidentiality provisions of Section 351(l)(1)(B)(iii) of the PHSA, if CytomX requests in writing to either (i) include a patent in the Proposed Patent List that was not included in ImmunoGen's initial Proposed Patent List provided to CytomX by ImmunoGen pursuant to Section 5.5.3(a) hereof or (ii) include responsive information with respect to any patent within the Licensed Patent Rights in the ImmunoGen Response that was not included in ImmunoGen's initial ImmunoGen Response provided to CytomX pursuant to Section5.5.3(c) hereof, then, absent manifest error, ImmunoGen shall include such patent in the Proposed Patent List and such responsive information in the ImmunoGen Response provided to Applicant, as applicable; provided, however, that CytomX shall indemnify ImmunoGen in accordance with Section 9.2 hereof to the extent any submissions requested by CytomX are determined to have been made negligently or in bad faith.

(e) Negotiation; CytomX Rights. As soon as possible following the date on which ImmunoGen provides the ImmunoGen Response to the

Applicant, ImmunoGen shall commence good faith negotiations with Applicant for a period of not more than [***] days (the "**Negotiation Period**") in an effort to reach agreement on the patents on the Proposed Patent List (the "**Infringed Patent List**") that will be the subject to an Immediate Patent Infringement Action; provided, however, that if the Proposed Patent List includes both patents within the Licensed Patent Rights and patents that are not within the Licensed Patent Rights, then ImmunoGen shall not agree to the inclusion in the Infringed Patent List of any patents within the Licensed Patent Rights without the prior written consent of CytomX, which consent shall not be unreasonably withheld, conditioned or delayed. If ImmunoGen and Applicant fail to reach agreement under Section 351(l)(4)(A) of the PHSA on the Infringed Patent List, ImmunoGen shall have the sole right to determine under Section 351(l)(5)(B) of the PHSA which patents of those on the Proposed Patent List should be the subject of an Immediate Patent Infringement Action; provided, however, that if the Proposed Patent List [***], then ImmunoGen shall [***]. Within [***] days following the exchange of such lists by ImmunoGen and the Applicant, ImmunoGen shall, to the extent legally permissible, provide CytomX with a copy of the portion of the combined Infringed Patent List containing patents within the Licensed Patent Rights that will be the subject of an Immediate Patent Infringement Action.

(f) Supplements to Proposed Patent List. CytomX shall provide ImmunoGen with a copy of any U.S. patent within the Licensed Patent Rights that is issued after ImmunoGen has provided the Proposed Patent List to the Applicant within [***] day after such issuance. As soon as practicable following the date of receipt by ImmunoGen of any such patent, CytomX and ImmunoGen shall discuss in good faith whether such patent would be infringed by the manufacture and/or sale of the Proposed Biosimilar Product. ImmunoGen shall provide the Applicant with a supplement to the Proposed Patent List to include such patent not later than [***] days after the issuance of such patent if ImmunoGen reasonably believes that a claim of patent infringement for such patent could be asserted by either CytomX or ImmunoGen or if CytomX, absent manifest error, requests that ImmunoGen supplement the Proposed Patent List to include such patent provided, however, that CytomX shall indemnify ImmunoGen in accordance with Section 9.2 hereof to the extent any supplement submissions requested by CytomX are determined to have been made negligently or in bad faith.

5.5.4. Claims, Suits and Proceedings.

(a) Immediate Patent Infringement Action. With respect to any patents within the Licensed Patent Rights or any Patent Rights claiming ImmunoGen Probody Platform Improvements, Joint Program Technology or Joint Probody Platform Improvements that are to be the subject of an Immediate Patent Infringement Action, the Parties' respective rights and obligations with respect to the litigation of such patents (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such Immediate Patent Infringement Action, and obligations to pay legal costs and expenses with respect to such Immediate Patent Infringement Action) shall be as set forth in Section 5.4.2 hereof, except that the Party having the first right to file a claim for Infringement against the Applicant with respect to any such patent subject to an Immediate Patent Infringement Action shall file such claim within [***] days after agreement is reached as to the Infringed Patent List under Section 351(l)(4) or the exchange of the lists under Section 351(l)(5)(B) of the PHSA, as applicable.

(b) Pre-Marketing Litigation. Either Party shall, within [***] days of receiving any notice of commercial marketing provided by the Applicant pursuant to Section 351(l)(8)(A) of the PHSA (the "**Premarket Notice**"), notify the other Party. Thereafter, the Parties' respective rights and obligations with respect to any litigation pursuant to Section 351(l)(8)(B) of the PHSA (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof.

(c) Cooperation; Standing. If a Party with the right to initiate legal proceedings under this Section 5.5.4 lacks standing to do so (or lacks the right under the BPCIA to do so) and the other Party has standing (or the sole right under the BPCIA) to initiate such legal proceedings, such Party with standing shall initiate such legal proceedings at the request and expense of the other Party.

5.5.5. Invalidity or Unenforceability Defenses or Actions. In the event that the Applicant asserts, as a defense or as a counterclaim in any infringement action under Section 5.5.4 hereof, that any of the Licensed Patent Rights or any Patent Rights claiming ImmunoGen Probody Platform Improvements, Joint Program Technology or Joint Probody Platform Improvements is invalid or unenforceable, then the Parties' respective rights and obligations with respect to the response to such defense or the defense against such counterclaim, as applicable, (including rights to initiate, step in, participate in, settle and share amounts recovered

pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof; provided that for these purposes any such defense or counterclaim shall be deemed to be an Infringement. In all other cases, including any declaratory judgment action or similar action or claim filed by an Applicant asserting that any of the Licensed Patent Rights or any Patent Rights claiming ImmunoGen Probody Platform Improvements, Joint Program Technology or Joint Probody Platform Improvements is invalid or unenforceable (as in a declaratory judgment action brought by the Applicant following the Premarket Notice), then the Parties' respective rights and obligations with respect to such action (including rights to initiate, step in, participate in, settle and share amounts recovered pursuant to such action, and obligations to pay legal costs and expenses with respect to such action) shall be as set forth in Section 5.4.2 hereof; provided that for these purposes any such case shall be deemed to be an Infringement.

5.5.6. Changes in Applicable Law. The Parties have agreed to the provisions of this Section 5.5 on the basis of the BPCIA and other applicable laws and regulations in effect as of the Effective Date. If there are any material changes to the BPCIA or other Applicable Laws that would affect these provisions, the Parties will discuss amendments to this Section 5.5 in good faith.

5.6. **Interference, Opposition, Revocation and Declaratory Judgment Actions**. If the Parties mutually determine that, based upon the review of a Third Party's patent or patent application or other intellectual property rights, it may be desirable in connection with any Licensed Product to provoke or institute an interference, opposition, revocation, post-grant review or other patent office proceedings or declaratory judgment action with respect thereto, then the Parties shall consult with one another and shall reasonably cooperate in connection with such an action. Each Party shall retain all rights to control any actions initiated prior to the Effective Date.

5.7. **Infringement of Third Party Patent Rights**. If the Development, Manufacture, use or Commercialization of any Licensed Product is alleged by a Third Party to infringe a Third Party's patent or other intellectual property rights, the Party becoming aware of such allegation shall promptly notify the other Party. ImmunoGen shall have the right to take such action as it deems appropriate in response to such allegation, and shall be solely responsible for all damages, costs and expenses in connection therewith, subject to Article 9 hereof.

6. CONFIDENTIALITY

6.1. **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Parties agree that, during the Term and for [***] thereafter, each Party, in its capacity as

the Receiving Party shall: (a) keep the Disclosing Party's Confidential Information confidential; (b) not disclose, or permit the disclosure of, the Disclosing Party's Confidential Information; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, in each case, except for the performance of its obligations or exercise of its rights under this Agreement, provided, however, that the foregoing obligations shall not apply, or shall cease to apply, to the extent that such Confidential Information (i) was already known by the Receiving Party or its Affiliates (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by the Disclosing Party; (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party or its Affiliates or any of their respective Representatives in breach of its obligations under this Agreement; (iv) was disclosed to the Receiving Party or its Affiliates, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party ; or (v) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information of the Disclosing Party.

6.2. **Authorized Disclosure**.

6.2.1. **Disclosure to Party Representatives**. Notwithstanding the foregoing provisions of Section 6.1 hereof, the Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the Receiving Party's Representatives who (a) have a need to know such Confidential Information in connection with the performance of the Receiving Party's obligations or the exercise of the Receiving Party's rights under this Agreement and (b) have agreed in writing to non-disclosure and non-use provisions with respect to such Confidential Information that are at least as restrictive as those set forth in this Article 6.

6.2.2. **Disclosure to Third Parties**.

(a) Notwithstanding the foregoing provisions of Section 6.1 hereof, the Parties may disclose Confidential Information belonging to the other Party:

(i) to Governmental Authorities to the extent reasonably necessary to obtain or maintain INDs or Regulatory Approvals for any Licensed Product and in order to respond to inquiries, requests, investigations, orders or subpoenas of Governmental Authorities relating to this Agreement;

(ii) to outside consultants, contractors, advisory boards, managed care organizations, and non-clinical and clinical investigators, in each case to the extent reasonably necessary to Develop, Manufacture, use or Commercialize any Licensed Product under reasonable obligations of confidentiality;

(iii) subject to Section 5.2 hereof, to the extent reasonably necessary, in connection with filing or prosecuting Patent Rights as permitted by this Agreement;

(iv) to the extent reasonably necessary, in connection with prosecuting or defending litigation as permitted by this Agreement;

(v) regarding the existence of this Agreement, this Agreement itself or the material and financial terms of this Agreement, (A) to its accountants, lawyers, and other advisers, and (B) to actual or potential investors, lenders, licensors, licensees, acquirers, investment bankers, or agents of the foregoing in connection with a financing, licensing transaction, merger, or acquisition, in each case (A)-(B) under confidentiality obligations no less restrictive than those set forth in this Agreement, provided that CytomX shall not disclose the identity of the Licensed Target under clause (B) without the prior written consent of ImmunoGen;

(vi) subject to Section 6.3.2 hereof, in connection with or included in scientific presentations and publications relating to Licensed Products, including abstracts, posters, journal articles and the like, and posting results of and other information about clinical trials to clinicaltrials.gov or PhRMA websites; and

(vii) to the extent necessary in order to enforce its rights under this Agreement.

(b) In the event a Party deems it reasonably necessary to disclose Confidential Information belonging to the other Party pursuant to Section 6.2.2(a)(i) hereof, the Disclosing Party shall to the extent possible give reasonable advance written notice of such disclosure to the other Party and take all reasonable measures to ensure confidential treatment of such information.

(c) Data generated by ImmunoGen using Licensed Products shall not be considered Confidential Information of CytomX, and, therefore, not subject to this Article 6.

6.2.3. **SEC Filings and Other Disclosures**. Notwithstanding any provision of this Agreement to the contrary, either Party may disclose the existence or terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with Applicable Law. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 6.2.3, the Parties will consult with one another on the terms of this Agreement to be redacted in making any such disclosure. Further, if a Party discloses this Agreement or any of the terms hereof in accordance with this Section 6.2.3, such Party shall, at its own expense, use Commercially Reasonable Efforts to seek such confidential treatment of confidential portions of this Agreement and such other terms, as may be reasonably requested by the other Party.

6.3. **Public Announcements; Publications**.

6.3.1. **Announcements**. Except as may be expressly permitted under Section 6.2.3, neither Party will make any public announcement regarding the existence or terms of this Agreement without the prior written approval of the other Party. For the sake of clarity, nothing in this Agreement shall prevent either Party from making any public disclosure relating to this Agreement if the contents of such public disclosure have previously been made public other than through a breach of this Agreement by the issuing Party or its Affiliates. The Parties shall mutually agree to one or more press releases regarding the signing of this Agreement following the Effective Date. The Parties agree that each Party may issue future announcements concerning ImmunoGen's achievement of any significant milestones, including the selection of a clinical candidate, under this Agreement, provided that the content of any such announcement has been mutually agreed upon by the Parties.

6.3.2. **Publications**. The Parties acknowledge that scientific publications and presentations must be strictly monitored to prevent any adverse effect from premature publication or dissemination of results of the activities hereunder. Each Party (in such capacity the "**Publishing Party**") agrees that, except as required by Applicable Laws, it shall not publish or present, or permit to be published or presented, any results of the Development, Manufacture, use or Commercialization of a Licensed Product to the extent such results refer to, derive from or otherwise relate to the Licensed Intellectual Property (the "**Covered Results**"), without the prior review by and approval of the other Party (in such capacity, the "**Non-Disclosing Party**"), which approval shall not be unreasonably withheld; provided that it shall not be deemed unreasonable for ImmunoGen to withhold its consent to any request by CytomX to publish or disseminate Covered Results prior to the publication or dissemination of such Covered Results by

ImmunoGen. The Publishing Party shall submit to the Non-Disclosing Party for review and approval any proposed academic, scientific and medical publication or public presentation which contains Covered Results or otherwise contains the Non-Disclosing Party's Confidential Information; provided that the foregoing requirement shall apply to ImmunoGen only to the extent any such proposed publication or presentation would refer to, describe or otherwise disclose Confidential Information of CytomX (including, without limitation, any non-public Licensed Intellectual Property). In addition, each Party shall submit to the other Party for review and approval any proposed publication or public presentation relating to data generated under the Research Program. In both instances, such review and approval will be conducted for the purposes of preserving the value of the Licensed Intellectual Property and determining whether any portion of the proposed publication or presentation containing the Non-Disclosing Party's Confidential Information should be modified or deleted. Written copies of such proposed publication or presentation required to be submitted hereunder shall be submitted to the Non-Disclosing Party no later than [***] before submission for publication or presentation (the "**Review Period**"). The Non-Disclosing Party shall provide its comments with respect to such publications and presentations within [***] after its receipt of such written copy, and the Publishing Party shall delete any Confidential Information of the Non-Disclosing Party upon request. The Review Period may be extended for an additional [***] in the event the Non-Disclosing Party can, within [***] of receipt of the written copy, demonstrate reasonable need for such extension, including for the preparation and filing of patent applications. The Parties will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication governed by this Section 6.3.2.

6.3.3. **Integration**. As to the subject matter of this Agreement, this Article 6 supersedes any confidential disclosure agreements between the Parties, including, without limitation, the Confidentiality Agreement and the confidentiality provisions of the Research Collaboration Agreement. Any confidential information of a Party disclosed under the Confidentiality Agreement or the Research Collaboration Agreement relating to the subject matter of this Agreement shall be treated as Confidential Information of such Party hereunder, subject to the terms of this Article 6.

7. REPRESENTATIONS AND WARRANTIES.

7.1. **Mutual Representations and Warranties**. Each of CytomX and ImmunoGen hereby represents and warrants to the other that:

7.1.1. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

7.1.2. the execution, delivery and performance of this Agreement by such Party has been duly authorized by all requisite action under the provisions of its charter, bylaws and other organizational documents, and does not require any action or approval by any of its shareholders or other holders of its voting securities or voting interests;

7.1.3. it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

7.1.4. this Agreement has been duly executed and is a legal, valid and Binding Obligation on it, enforceable against it in accordance with its terms; and

7.1.5. the execution, delivery and performance by such Party of this Agreement and its compliance with the terms and provisions hereof does not and will not conflict with or result in a breach of or default under any Binding Obligation existing as of the Effective Date.

7.2. **Representations and Warranties of CytomX**. Except as set forth in a written disclosure letter (the "**Disclosure Letter**") delivered by CytomX to ImmunoGen within [***] days after the Effective Date (which shall be deemed Confidential Information of CytomX), CytomX hereby represents and warrants to ImmunoGen that as of the Effective Date:

7.2.1. to its Knowledge, (a) the issued and unexpired patents within the Licensed Intellectual Property are valid and enforceable patents and (b) CytomX has received no written notice from a Third Party challenging or threatening to challenge the extent, validity or enforceability of any Licensed Patent Rights;

7.2.2. to its Knowledge, CytomX has received no written notice from a Third Party claiming that the use, practice or application of the Licensed Intellectual Property pursuant to the license granted hereunder to ImmunoGen will infringe the issued patents of any such Third Party (excluding, for clarity, any potential infringement that might arise solely as a result of the combination of any Licensed Intellectual Property with any other technology or intellectual property); and

7.2.3. there is no (a) claim, demand, suit, proceeding, arbitration, inquiry, investigation or other legal action of any nature, civil, criminal, regulatory or otherwise, pending or, to its Knowledge, threatened against CytomX or any of its Affiliates or (b) judgment or settlement against or owed by CytomX or any of its Affiliates, in each case in connection with the Licensed Intellectual Property or relating to the transactions contemplated by this Agreement

For purposes of this Section 7.2, "**Knowledge**" means the actual knowledge (without having conducted, or having any duty to conduct, any specific inquiry) of its Chief Executive Officer, President, any Vice President or other officer who is in charge of a principal business unit or function or who performs a policy-making function, and its Senior Director, Head of Intellectual Property (or person with similar responsibilities).

7.3. **Government Approvals**. Each of CytomX and ImmunoGen shall cooperate with the other Party and use Commercially Reasonable Efforts to make all registrations, filings and applications, to give all notices and to obtain as soon as practicable all governmental or other consents, transfers, approvals, orders, qualifications authorizations, permits and waivers, if any, and to do all other things necessary or desirable for the consummation of the transactions as contemplated hereby.

7.4. **Further Covenants**. In addition to the covenants made elsewhere in this Agreement, CytomX hereby covenants to ImmunoGen that, from the Effective Date until expiration or termination of this Agreement, it will not (a) knowingly take any action that conflicts with the rights under the Licensed Intellectual Property granted to ImmunoGen under this Agreement or (b) knowingly fail to take any action that is reasonably necessary to avoid a conflict with the rights under the Licensed Intellectual Property granted to ImmunoGen under this Agreement.

7.5. **Representation by Legal Counsel**. Each Party hereto represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption shall exist or be implied against the Party which drafted such terms and provisions.

7.6. **Warranty Disclaimers**.

7.6.1. Except as expressly set forth in Section 7.1 or 7.2 hereof, nothing in this Agreement is or shall be construed as a warranty or representation by CytomX (a) as to the validity or scope of any patent application or patent within the Licensed Patent Rights or (b) that anything made, used, sold or otherwise disposed of under any license granted under this Agreement is or will be free from infringement of patents, copyrights and other rights of Third Parties.

7.6.2. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY TECHNOLOGY, GOODS, SERVICES, RIGHTS OR

OTHER SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

8. TERM AND TERMINATION.

8.1. **Term.** The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall extend, unless this Agreement is terminated earlier in accordance with this Article 8, on a Licensed Product-by-Licensed Product and country-by-country basis, until such time as the Royalty Term with respect to the sale of such Licensed Product in such country expires. Provided this Agreement has not been terminated prior thereto by CytomX under Section 8.3, 8.4 or 8.5 hereof or by ImmunoGen under Section 8.2 or 8.4 hereof, following the expiration of the Royalty Term applicable to a Licensed Product in a country in accordance with Section 1.134 hereof, ImmunoGen and its Affiliates shall have a fully paid-up, irrevocable, freely transferable and sublicensable license under the relevant Licensed Intellectual Property, to make, have made, use, sell, offer for sale and import such Licensed Products in such country.

8.2. **Voluntary Termination by ImmunoGen**. ImmunoGen shall have the right to terminate this Agreement at any time prior to the achievement of the first Regulatory Marketing Approval for any Licensed Product in any country or other jurisdiction in the Territory, upon not less than ninety (90) days' prior written notice to CytomX.

8.3. **Termination by Either Party for Cause**. Either Party may terminate this Agreement in its entirety at any time during the Term by giving written notice to the other Party if the other Party commits a material breach of its obligations under this Agreement (a "**Material Breach**"), such notice to describe such Material Breach in reasonable detail, and such Material Breach remains uncured for [***] days, measured from the date written notice of such breach is given to the breaching Party; provided, however, that if the nature of the asserted breach is such that more than [***] days are reasonably required to cure, then the cure period shall be extended for a period not to exceed an additional [***] days so long as the Party seeking to cure the asserted breach is diligently pursuing such cure to completion.

8.4. **Termination on Insolvency**. This Agreement may be terminated upon written notice by either Party at any time in the event of an Insolvency Event of the other Party.

8.5. **Termination for Material Breach of the Research Collaboration Agreement by ImmunoGen**. CytomX shall have the right to terminate this Agreement, effective upon thirty (30) days' prior written notice to ImmunoGen, in the event CytomX has terminated the Research Collaboration Agreement due to the occurrence of a Material Breach (as defined in the Research Collaboration Agreement) thereunder by ImmunoGen which remains uncured as of the termination date of the Research Collaboration Agreement.

8.6. **Effects of Expiration or Termination**.

8.6.1. **Effect of Termination by CytomX under Section 8.3, 8.4 or 8.5 or by ImmunoGen under Section 8.2**. If CytomX terminates this Agreement pursuant to Section 8.3, 8.4 or 8.5 hereof, or ImmunoGen terminates this Agreement pursuant to Section 8.2 hereof, then:

(a) the license granted by CytomX to ImmunoGen and its Affiliates under Section 3.1.1 hereof shall immediately terminate, and ImmunoGen and its Affiliates shall discontinue the use of any Licensed Intellectual Property except, with respect to the Licensed Patent Rights, as otherwise permitted under 35 U.S.C. § 271(e)(1) with respect to activities performed in the United States;

(b) ImmunoGen and its Affiliates and Sublicensees shall cease any Development and Commercialization of Licensed Products in the Territory, subject to Section 8.6.3 hereof; and

(c) each Party shall promptly return or destroy all of the other Party's Confidential Information, provided that each Party may retain, subject to Article 6 hereof, (i) one (1) copy of the other Party's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of the other Party contained in its laboratory notebooks or databases, and (iii) any Confidential Information of the other Party to the extent reasonably required to exercise its rights and perform its obligations under any other then-outstanding License Agreement.

8.6.2. **Effect of Termination by ImmunoGen under Section 8.3 or 8.4**. If ImmunoGen terminates this Agreement pursuant to Section 8.3 or 8.4 hereof, then

(a) the license granted to ImmunoGen by CytomX pursuant to Section 3.1.1 hereof shall continue on the terms set forth herein, subject to ImmunoGen's continued payment of all milestone and royalty payments in accordance with this Agreement, and on a country-by-country and Licensed Product-by-Licensed Product basis, upon the expiration of the Royalty Term applicable to a Licensed Product in country in accordance with Section 1.134 hereof and provided ImmunoGen shall have paid to CytomX all royalty amounts due to CytomX with respect to Net Sales in

such country, ImmunoGen and its Affiliates shall thereafter have a fully paid-up, irrevocable, freely transferable ad sublicensable license under the relevant Licensed Intellectual Property, to make, have made, use, sell, offer for sale and import such Licensed Product in such country;

(b) CytomX shall remain entitled to receive payments that accrued before the effective date of such termination; and

(c) each Party shall promptly return or destroy all of the other Party's Confidential Information, provided that each Party may retain, subject to Article 6 hereof, (i) one (1) copy of the other Party's Confidential Information in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder, (ii) any Confidential Information of the other Party contained in its laboratory notebooks or databases and (iii) any Confidential Information of the other Party to the extent reasonably required to exercise its rights and perform its obligations under any then-outstanding License Agreement. The foregoing notwithstanding, and subject to Article 6 hereof, ImmunoGen may retain and use CytomX's Confidential Information with respect to the exercise of its rights set forth in clause (a) above or necessary or useful to exercise any other of its rights under this Agreement that survive such termination.

8.6.3. **Treatment of Sublicensees on Termination**. Notwithstanding the foregoing, CytomX shall permit a Sublicensee of ImmunoGen to become its direct Sublicensee upon notification to CytomX.

8.6.4. **Satisfaction of Obligations During Notice Period**. During the period from providing a notice of termination through the termination of the Agreement, the Parties shall continue to perform their obligations under this Agreement.

8.6.5. **Pending Dispute Resolution**. If a Party gives notice of termination and the other Party disputes whether such notice was proper, then the issue of whether this Agreement has been terminated shall be resolved in accordance with Section 10.9 or 10.10 hereof, as applicable, and this Agreement shall remain in effect pending the resolution of such dispute. If as a result of such dispute resolution process it is determined that the notice of termination was proper, then such termination shall be effective immediately. If as a result of such dispute resolution process it is determined that the notice of termination was improper, then no termination shall have occurred and this Agreement shall remain in effect. Anything contained in this Agreement to the contrary notwithstanding, if the asserted breach is cured or shown to be non-existent within the applicable cure period, the first notice of breach hereunder shall be deemed automatically withdrawn and of no effect.

8.7. **Disposition of Inventories of Products**. Following termination of this Agreement by CytomX pursuant to Section 8.3 or 8.4, ImmunoGen and its Affiliates and Sublicensees shall have the right to continue to sell their existing inventories of Licensed Product(s) that have received Regulatory Marketing Approval prior to such termination for a period [***] after the effective date of such termination or expiration and ImmunoGen shall pay any milestones and royalties payable in connection with such sales in accordance with Article 4 hereof.

8.8. **Remedies**. Except in the case of either Party's breach of Section 2.6 or Article 6 hereof, the rights of the non-breaching Party set forth in Section 8.6 hereof shall be the exclusive legal remedy to a Party arising from a Material Breach; provided, however, that (a) in addition to the foregoing legal remedy, the Parties may seek any and all equitable remedies, including, without limitation, declarative and injunctive relief and specific performance in accordance with applicable law, and (b) nothing in this Section shall limit the Parties' respective rights and obligations with respect to (i) Unauthorized Use of the other Party's Confidential Information or Proprietary Materials, (ii) unauthorized disclosure of the other Party's Confidential Information or (iii) indemnification as set forth in Article 9 hereof.

8.9. **Survival of Certain Obligations**. Expiration or termination of this Agreement shall not relieve the Parties of any obligation that accrued before such expiration or termination. The following provisions shall survive expiration or termination of this Agreement: Sections 2.5.2, 2.5.3, 2.5.4, 2.6 and 3.3, Articles 4, 5 and 6, Sections 7.6, 8.1, 8.6, 8.7 (for the period set forth therein), 8.8 and 8.9, and Articles 9 and 10. For avoidance of doubt, any other Section that explicitly states it survives expiration or termination of this Agreement shall so survive.

9. LIMITATION ON LIABILITY, INDEMNIFICATION AND INSURANCE.

9.1. **No Consequential Damages**. Except with respect to liability arising from a breach of Article 6 hereof, in no event will either Party, its Affiliates or any of its or its Affiliates' respective Representatives be liable under this Agreement for any special, indirect, incidental, consequential or punitive or exemplary damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, (a) including loss of profits or revenue suffered by either Party or any of its respective Affiliates or Representatives or (b) cost of procurement of substitute goods, technology or services, even if either Party is informed in advance of the possibility of such damages and even if the remedies provided for in this Agreement fail of their essential purpose. For purposes of clarity, a Party's monetary liability under a Third Party Claim for such Third Party's special, indirect,

incidental or consequential damages or for any punitive or exemplary damages payable in connection with such Third Party Claim, shall be deemed to be the direct damages of such Party for purposes of this Article 9.

9.2. **Indemnification by CytomX**. CytomX will indemnify, defend and hold harmless ImmunoGen, its Affiliates and each of its and their respective employees, officers, directors and agents (each, a "**ImmunoGen Indemnified Party**") from and against any and all liability, loss, damage, expense (including reasonable attorneys' fees and expenses) and cost (collectively, a "**Liability**") as a direct result of any Third Party claims, suits, actions, demands or judgments, including, without limitation, personal injury and product liability matters (collectively, "**Third Party Claims**") arising out of a Material Breach of this Agreement by CytomX, except, in each case, to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by ImmunoGen, the Development, Manufacture, Commercialization or use (including, without limitation, the production, manufacture, promotion, import, sale or use by any Person) of any Licensed Product by, on behalf of, or under the authority of, ImmunoGen or any of its Affiliates, Sublicensees, subcontractors, distributors or agents (other than an CytomX Indemnified Party), or the negligence, recklessness or intentional acts of ImmunoGen or any of its Affiliates, Sublicensees, subcontractors, distributors or agents; provided that with respect to any Third Party Claim for which ImmunoGen also has an obligation to indemnify any CytomX Indemnified Party pursuant to Section 9.3 hereof, CytomX shall indemnify each ImmunoGen Indemnified Party for its Liability to the extent of CytomX's responsibility, relative to ImmunoGen (or to Persons for whom ImmunoGen is legally responsible), for the facts underlying the Third Party Claim.

9.3. **Indemnification by ImmunoGen**. ImmunoGen will indemnify, defend and hold harmless CytomX, its Affiliates, contractors, distributors and each of its and their respective employees, officers, directors and agents (each, a "CytomX Indemnified Party") from and against any and all Liabilities as a direct result of any Third Party Claims arising out of:

(a) the Development, Manufacture, Commercialization or use (including, without limitation, the production, manufacture, promotion, import, sale or use by any Person) of any Licensed Product by, on behalf of, or under the authority of, ImmunoGen or any of its Affiliates, Sublicensees, subcontractors, distributors or agents (other than by any CytomX Indemnified Party); or

(b) a Material Breach of this Agreement by ImmunoGen;

except to the extent any such Third Party Claim or Liability results from a Material Breach of this Agreement by CytomX or the negligence, recklessness or intentional acts of CytomX or any CytomX Indemnified Party; provided that with respect to any Third

Party Claim for which CytomX also has an obligation to indemnify any ImmunoGen Indemnified Party pursuant to Section 9.2 hereof, ImmunoGen shall indemnify each CytomX Indemnified Party for its Liability to the extent of ImmunoGen's responsibility, relative to CytomX (or to Persons for whom CytomX is legally responsible), for the facts underlying the Third Party Claim.

9.4. **Procedure**.

9.4.1. **Notice**. Each Party will notify the other Party in writing in the event it becomes aware of a claim for which indemnification may be sought hereunder. In the event that any Third Party asserts a claim or other proceeding (including any governmental investigation) with respect to any matter for which a Party (the "**Indemnified Party**") is entitled to indemnification hereunder, then the Indemnified Party shall promptly notify the Party obligated to indemnify the Indemnified Party (the "**Indemnifying Party**") thereof; 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 prejudiced thereby.

9.4.2. **Control**. The Indemnifying Party shall have the right, at its sole cost and expense, exercisable by notice to the Indemnified Party within ten (10) Business Days after receipt of notice from the Indemnified Party of the commencement of or assertion of any Third Party Claim, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim (including the right to settle the claim solely for monetary consideration) with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. The Indemnified Party shall cooperate, and shall cause its Affiliates and agents to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. The Indemnified Party shall have the right to join in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, at its own expense, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

9.4.3. **Settlement**. Neither the Indemnifying Party nor the Indemnified Party shall enter into any compromise or settlement of a Third Party Claim for which the right to indemnification hereunder has been asserted without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided that the Indemnifying Party may, without the

Indemnified Party's prior written consent, agree or consent to any settlement or other resolution of such Third Party Claim which requires solely money damages paid by the Indemnifying Party, and which includes as an unconditional term thereof the giving by such claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such Third Party Claim. Each of the Indemnifying Party and the Indemnified Party shall not make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party, and the Indemnified Party shall use reasonable efforts to mitigate Liabilities arising from such Third Party Claim.

9.5. **Insurance**. Each Party shall obtain and maintain, during the Term, commercial general liability insurance, including products liability insurance, with reputable and financially secure insurance carriers (or pursuant to a program of self-insurance reasonably satisfactory to the other Party) to cover its indemnification obligations under Section 9.2 or 9.3 hereof with respect to bodily injury (including death) and damage to property, as applicable, in each case with limits of not less than $3,000,000 per occurrence and in the aggregate. Insurance (other than permitted self-insurance) shall be procured with carriers having an A.M. Best Rating of A-VII or better. Any indemnification payment hereunder shall be made net of any insurance proceeds which the Indemnified Party is entitled to recover; provided, however, that if, following the payment to the Indemnified Party of any amount under this Article 9, such Indemnified Party becomes entitled to recover any insurance proceeds in respect of the claim for which such indemnification payment was made, the Indemnified Party shall promptly pay an amount equal to the amount of such proceeds (but not exceeding the amount of such indemnification payment) to the Indemnifying Party.

10. MISCELLANEOUS.

10.1. **Assignment**. Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, that such consent shall not be required in connection with any assignment of this Agreement to an Affiliate of the assigned Party, or to a Third Party in connection with the transfer or sale of the business to which this Agreement relates, or to any successor Person resulting from any merger or consolidation of such Party with or into such Person, provided that the assignee shall have agreed in writing to assume all of the assignor's obligations hereunder, and provided, further, that the other Party shall be notified promptly after such assignment has been effected. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any purported assignment not in accordance with this Section 10.1 shall be null and void.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

10.2. **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

10.3. **Force Majeure**. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by *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 Commercially Reasonable Efforts to resume performance. For purposes of this Agreement, "*force majeure*" shall include conditions beyond the control of the Parties, including an act of God, voluntary or involuntary compliance with any Applicable Law or order of any government, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, or destruction of production facilities or materials by fire, earthquake, storm or like catastrophe; provided that financial inability to pay in and of itself shall not be considered to be a *force majeure* event.

10.4. **Notices**. Any notice or notification required or permitted to be provided pursuant to the terms and conditions of this Agreement (including any notice of *force majeure*, breach, termination, change of address, etc.) shall be in writing and shall be deemed given upon receipt if delivered personally or by facsimile transmission (receipt verified), five (5) Business Days after deposited in the mail if mailed by certified mail (return receipt requested) postage prepaid, or on the next Business Day if sent by overnight delivery using a nationally recognized express courier service and specifying next Business Day delivery (receipt verified), to the Parties at the following addresses or facsimile numbers (or at such other address or facsimile number for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

All correspondence to ImmunoGen shall be addressed as follows:

ImmunoGen, Inc.
830 Winter Street
Waltham, MA 02451
Attn: Vice President, Business Development

Fax: [***]

All correspondence to CytomX shall be addressed as follows:

CytomX Therapeutics, Inc.
343 Oyster Point Blvd., Suite 100
South San Francisco, CA 94080-7014
Attn: CEO

Fax: 1-650-351-0353

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To help expedite the other Party's awareness and response, copies of notices may be provided to the other Party by email but must be supplemented by one of the following methods: (a) personal delivery, (b) first class certified mail with return receipt requested, or (c) next-day delivery by major international courier, with confirmation of delivery. Electronic copies may be sent via email to [***] at CytomX and to [***] at ImmunoGen so long as such individuals remain employed by CytomX or ImmunoGen, respectively.

10.5. **Amendment**. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of the Party to be bound.

10.6. **Waiver**. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

10.7. **Severability**. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

10.8. **Descriptive Headings**. The descriptive headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

10.9. **Dispute Resolution**. The Parties recognize that a *bona fide* dispute as to certain matters may arise from time to time during the Term relating to either Party's rights or obligations hereunder or otherwise relating to the validity, enforceability or performance of this Agreement, including disputes relating to alleged breach or termination of this Agreement but excluding any disputes relating to Article 6 hereof or disputes relating to the determination of the validity, scope, infringement, enforceability, inventorship or ownership of the Parties' respective Patent Rights (hereinafter, a "**Dispute**"). In the event of the occurrence of any Dispute, the Parties shall follow the following procedures in an attempt to resolve the dispute or disagreement:

10.9.1. The Party claiming that such a Dispute exists shall give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the Dispute.

10.9.2. Within [***] days of receipt of a Notice of Dispute, the ImmunoGen Alliance Manager and the CytomX Alliance Manager shall meet in person or by teleconference 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.

10.9.3. If the Alliance Managers are unable to resolve the Dispute during the meeting described in Section 10.9.2 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.2 hereof, then the Dispute will be referred to the JDC which shall meet no later than [***] days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the Dispute.

10.9.4. If the JDC is unable to resolve the Dispute during the meeting described in Section 10.9.3 hereof or if for any reason such meeting does not take place within the period specified in Section 10.9.3 hereof, then the Chief Executive Officer of ImmunoGen and the Chief Executive Officer of CytomX shall meet at a mutually agreed-upon time and location for the purpose of resolving such Dispute.

10.9.5. If, within [***] days of initial receipt of the Notice of Dispute, the Dispute has not been resolved, or if, for any reason, the meeting described in Section 10.9.4 hereof has not been held within [***] days of initial receipt of the Notice of Dispute, then the Parties agree that such Dispute shall be finally resolved through binding arbitration to be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, as specifically modified by the provisions of this Section 10.9.5.

(a) Arbitration Panel. The arbitration shall be conducted by a panel of three (3) arbitrators. Within [***] days after the initiation of the arbitration, each Party will nominate one person to act as arbitrator, and the two arbitrators so named will then jointly appoint the third arbitrator within [***] days of their appointment, who will serve as chairman of the panel. All three (3) arbitrators must be independent Third Parties having at least [***] years of dispute resolution experience (which may include judicial experience) and/or legal or business experience in the biotech or pharmaceutical industry. If either Party fails to nominate its arbitrator, or

if the arbitrators selected by the Parties cannot agree on a person to be named as chairman within such [***] day period, JAMS will make the necessary appointments for such arbitrator(s) or the chairman. Once appointed by a Party, such Party shall have no *ex parte* communication with its appointed arbitrator.

(b) Location and Proceedings. The place of arbitration will be in the Borough of Manhattan, City of New York, NY or such other venue as the Parties may mutually agree. The arbitration proceedings and all communications with respect thereto shall be in English. Any written evidence originally in another language will be submitted in English translation accompanied by the original or a true copy thereof. The arbitrators have the power to decide all matters in Dispute, including any questions of whether or not such matters are subject to arbitration hereunder. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.*, and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof.

(c) Limitation on Awards. Except for breaches of Article 6 hereof, the arbitrators shall have no authority to award any special, indirect, incidental, consequential, punitive, exemplary or other similar damages. Each Party shall bear its own costs and expenses (including attorneys' fees and expert or consulting fees) incurred in connection with the arbitration. The Parties shall equally (50/50) share the arbitrators' fees and other administrative costs and expenses associated with the arbitration.

(d) Confidentiality. The existence, content and results of any arbitration proceedings pursuant to this Section 10.9.5 shall be deemed the Confidential Information of both Parties.

10.9.6. Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary, temporary or permanent injunction, to preserve or enforce its rights under this Agreement.

10.10. **Patent Disputes and Disputes Relating to Article 6**.

10.10.1. Inventorship. Any dispute, controversy or claim between the Parties involving the inventorship of any Program Technology that is not resolved by mutual agreement of the Party's respective chief patent counsels (or persons with similar responsibilities) within [***] days after the date the dispute is raised

by one or both of the Parties shall be submitted to an Independent Patent Counsel for resolution. Such Independent Patent Counsel's determination of inventorship, absent manifest error, shall be final and binding on the Parties; provided, however, that any such determination with respect to a patent application shall not preclude either Party from disputing inventorship with respect to any patents issuing from such patent application, which disputes shall be resolved in accordance with this Section. The Parties shall equally (50/50) share the Independent Patent Counsel fees and expenses related to his determination of inventorship.

10.10.2. Other Patent Disputes. Any dispute, controversy or claim between the Parties that involves the validity, scope, infringement, enforceability or ownership of the Parties' respective Patent Rights (a) that are pending or issued in the United States shall be subject to actions before the United States Patent and Trademark Office and/or submitted exclusively to the federal court located in the jurisdiction where the Party whose Patent Rights are the subject to such dispute, controversy or claim resides (provided that if such Party does not reside in the United States, venue shall be the jurisdiction where such Party's principal U.S. Affiliate resides) and (b) that are pending or issued in any other country (or region) shall be brought before an appropriate regulatory or administrative body or court in that country (or region), and the Parties hereby consent to jurisdiction and venue in such courts and bodies.

10.10.3. Disputes Relating to Article 6. Any dispute, controversy or claim between the Parties that relates to the enforcement of Article 6 hereof shall be subject to action in any court of competent jurisdiction.

10.11. **Governing Law**. This Agreement, and all claims arising under or in connection therewith, shall be governed by and interpreted in accordance with the substantive laws of the State of New York, without regard to conflict of law principles thereof.

10.12. **Entire Agreement**. This Agreement, including its Exhibits and Schedules, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof and thereof, including the Confidentiality Agreement.

10.13. **Purpose and Scope**. The Parties understand and agree that this Agreement is limited to the activities, rights and obligations as expressly set forth herein. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or

failure to act of the other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

10.14. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be an original and both of which shall constitute together the same document. Counterparts may be signed and delivered by facsimile or PDF file, each of which shall be binding when received by the applicable Party.

10.15. **No Third Party Rights or Obligations**. Except as set forth in Article 9 hereof, no provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights or obligation in any Person not a Party to this Agreement. However, either Party may decide, in its sole discretion, to use one or more of its Affiliates to perform its obligations and duties hereunder, provided that such Party shall remain liable hereunder for the performance by any such Affiliates of any such obligations.

10.16. **Interpretation**. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to each Party hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement. In addition, unless the context otherwise requires, wherever used in this Agreement: (i) the singular shall include the plural, the plural the singular; (ii) the use of any gender shall be applicable to all genders; (iii) the word “or” is used in the inclusive sense (and/or); (iv) the words “include” or “including” shall be construed as incorporating, also, “but not limited to” or “without limitation” (irrespective of whether the words are used in the applicable instance); (v) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and (vi) all references to “will” are interchangeable with the word “shall” and shall be understood to be imperative or mandatory in nature.

[The remainder of this page has been intentionally left blank. The signature page follows.]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

IN WITNESS WHEREOF, duly authorized representatives of the Parties have duly executed this Agreement to be effective as of the Effective Date.

IMMUNOGEN, INC.	CYTOMX THERAPEUTICS, INC.
By: _____	By: _____
Name:	Name:
Title:	Title:
Date:	Date:

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT A

Licensed Target

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT B

Royalty Rate Reduction Methodology

[***]†

† **Two pages of text have been omitted.**

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

SCHEDULE 1.120

List of Cytotoxic Compound Patent Rights

[See Attached]

[***]†

† **Nine pages of text have been omitted.**

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT E

Form of Work Plan

[See Attached

[***]†

† **Five pages of text have been omitted.**

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

EXHIBIT F

Representatives to the Joint Research Committee

ImmunoGen Representatives

[***]

CytomX Representatives

[***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

SCHEDULE 1.104

List of Cytotoxic Compound Patent Rights

[See Attached]

[***]†

† **Nine pages of text have been omitted.**

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

FIRST AMENDMENT TO RESEARCH COLLABORATION AGREEMENT

This First Amendment to Research Collaboration Agreement (the **"First Amendment"**) is made effective as of the date of the last signature below by and between **ImmunoGen, Inc.**, a Massachusetts corporation (**"ImmunoGen"**), with its principal place of business being 830 Winter Street, Waltham, Massachusetts 02451, USA, and **CytomX Therapeutics, Inc.**, a Delaware corporation (**"CytomX"**), with its principal place of business being 343 Oyster Point Blvd., Suite 100, South San Francisco, California 94080. ImmunoGen and CytomX are herein sometimes referred to as a **"Party"** and collectively as the **"Parties."**

WHEREAS, ImmunoGen and CytomX are parties to that certain Research Collaboration Agreement dated as of January 8, 2014 (the **"RCA"**); and

WHEREAS, the Parties desire to amend the RCA to provide CytomX with the abilitiy to evaluate a second Replacement Target, as set forth in this First Amendment; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree and covenant as follows.

1. Target Replacement Right. Section 2.1.2 of the RCA is amended by adding the following to the end thereof:

> "Anything contained in this Agreement to the contrary notwithstanding, CytomX shall have the right to replace its first Replacement Target with another single Replacement Target, exercisable upon written notice to ImmunoGen and payment to ImmunoGen of a fee in the amount of [***] (the "**Expanded Access Fee**") at any time after CytomX has replaced its initial Research Program Targets with a Replacement Target but on or prior to the Replacement Target Cut-Off Date; provided that CytomX may not replace its first Replacement Target once it has exercised its Option with respect to such first Replacement Target. Any such second Replacement Target for CytomX may not be a Target that is or was previously a Research Program Target of ImmunoGen, and availability of any such second Replacement Target shall be subject to Section 2.1.3 hereof. Payment of the Expanded Access Fee by CytomX to ImmunoGen shall be made in U.S. Dollars without set-off or counterclaim and free and clear of any taxes, duties, levies, fees or charges. The Expansion Fee shall be non-refundable and non-creditable."

2. Miscellaneous. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the RCA. The RCA remains in full force and effect, as amended by this First Amendment. References in the RCA to "Agreement" mean the RCA as amended by this First Amendment.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

IN WITNESS WHEREOF, the Parties have caused this First Amendment to Research Collaboration Agreement to be executed by their duly authorized representatives.

IMMUNOGEN, INC.		**CYTOMX THERAPEUTICS, INC.**	
By:	/s/ Peter Williams	By:	/s/ Sean McCarthy
Name:	Peter Williams	Name:	Sean McCarthy
Title:	Vice President	Title:	CEO
Date:	4/3/15	Date:	4/1/15

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

COLLABORATION AND LICENSE AGREEMENT

THIS COLLABORATION AND LICENSE AGREEMENT (the "**Agreement**") is made and entered into as of May 23, 2014 (the "**Execution Date**") by and between **CYTOMX THERAPEUTICS, INC.**, a corporation organized under the laws of the State of Delaware, having its principal place of business at 343 Oyster Point Blvd., Suite 100, South San Francisco, CA, 94080-1913 ("**CytomX**"), and **BRISTOL-MYERS SQUIBB COMPANY**, a Delaware corporation headquartered at 345 Park Avenue, New York, New York, USA 10154 ("**BMS**"). CytomX and BMS are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

Whereas, BMS is a biopharmaceutical company engaged in the research, development, manufacture and commercialization of human therapeutic products.

Whereas, CytomX is a biopharmaceutical company that has technology and expertise relating to the discovery and development of recombinant Antibodies directed to certain targets using its proprietary Probody platform technology and drug discovery capabilities.

Whereas, CytomX and BMS desire to collaborate in the performance of a Preclinical Development Program for the purpose of discovery and preclinical development of Compounds suitable for development for human therapeutic uses, with the objective of identifying one or more Compounds for BMS to advance into human clinical trials, in accordance with the terms and conditions set forth in this Agreement.

Whereas, BMS will have exclusive rights and will be solely responsible for the clinical development and commercialization of Products worldwide, in accordance with the terms and conditions set forth in this Agreement.

Now Therefore, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, the Parties agree as follows.

1. DEFINITIONS

As used in this Agreement, the terms with initial letters capitalized, whether used in the singular or plural form, shall have the meanings set forth in this Article 1 or, if not listed below, the meaning designated in places throughout this Agreement.

1.1 "AAALAC" means the Association for Assessment and Accreditation for Laboratory Animal Care.

1.2 "**Additional Target**" has the meaning set forth in Section 3.3(c).

1.3 "**Additional Target Option**" has the meaning set forth in Section 3.3(c).

1.4 "**Additional Target Payment**" has the meaning set forth in Section 8.2.

1.5 "**Affiliate**" means, with respect to a particular Party, a person, corporation, partnership, or other entity that controls, is controlled by or is under common control with such Party. For the purposes of this definition, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.6 "**Alliance Manager**" has the meaning set forth in Section 2.4.

1.7 "**Antibody**" means any antibody or protein comprising at least one complementarity determining region (CDR) portion thereof (including bispecific antibodies, single chain antibodies and domain antibodies) and/or similar binding protein, whether polyclonal, monoclonal, human, humanized, chimeric, murine, synthetic or from any other source.

1.8 "**Applicable Law**" means any applicable federal, state, local or foreign law, statute, ordinance, principle of common law, or any rule, regulation, standard, judgment, order, writ, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Authority.

1.9 "**Arbitrable Matter**" means any dispute concerning the validity, interpretation or construction of, compliance with, or breach of (other than a breach of Sections 12.1, 12.2, 15.1, 15.2 and 15.3), this Agreement, including any dispute with respect to whether either Party is entitled to terminate this Agreement, in whole or as to any country. For clarity, Arbitrable Matters do not include Litigable Matters.

1.10 "**Bankrupt Party**" has the meaning set forth in Section 17.4(a).

1.11 "**Base Royalty Rate**" has the meaning set forth in Section 8.5(b).

1.12 "Biosimilar Product" means in a particular country with respect to a Product that contains a Compound that is a protein or peptide, any pharmaceutical product that: (a) has received all necessary approvals by the applicable Regulatory Authorities in such country to market and sell such product as a pharmaceutical product; (b) is marketed or sold by a Third Party that has not obtained the rights to market or sell such product as a licensee, sublicensee or distributor of BMS or any of its Affiliates, licensees or sublicensees with respect to such product; and (c) is approved as a (i) "biosimilar" (in the United States) of such Product, (ii) as a "similar biological medicinal product" (in the EU) with respect to which such Product is the "reference medicinal product" or (iii) if not the US or EU, as the foreign equivalent of a "biosimilar" or "similar biological medicinal product" of such Product; in each case for use in such country pursuant to an expedited regulatory approval process governing approval of generic biologics based on the then-current standards for regulatory approval in such country (*e.g.*, the Biologics Price Competition and Innovation Act of 2009 or an equivalent under foreign law) and where such regulatory approval was based in significant part upon clinical data generated by BMS (or its Affiliate or sublicensee) with respect to such Product.

1.13 "BLA" means a Biological License Application (as defined by the FDA) or its foreign equivalent (or any successor application having substantially the same function).

1.14 "**BLA Filing**" means the acceptance by the FDA (or MHLW, as applicable) of the filing of a BLA for the applicable Product in the U.S. or Japan.

1.15 "**BMS Claims**" has the meaning set forth in Section 15.1.

1.16 "**BMS Damages**" has the meaning set forth in Section 15.1.

1.17 "**BMS Indemnitees**" has the meaning set forth in Section 15.1.

1.18 "**BMS Patent**" means any Patent that claims a Sole Invention owned by BMS.

1.19 "**Budget**" has the meaning set forth in Section 3.3(a).

1.20 "**Business Day**" means a day that is not a Saturday, Sunday or a day on which banking institutions in New York, New York are required by Applicable Law to remain closed.

1.21 "**Calendar Year**" means the one (1) year period beginning on January 1 and ending on December 31.

1.22 "**Change of Control Transaction**" means, with respect to a Party:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) (a "Specified Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of fifty percent (50%) or more of either (i) the then outstanding shares of common stock of such Party (the "Outstanding Common Stock") or (ii) the combined voting power of the then outstanding voting securities of such Party entitled to vote generally in the election of directors of such Party (the "Outstanding Voting Securities"); *provided*, *however*, that for the purposes of this sub-Section (a), the following acquisitions of securities of such Party shall not constitute a Change of Control Transaction of such Party: (x) any acquisition by such Party, (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by such Party or any corporation controlled by such Party or (z) any acquisition by any corporation pursuant to a transaction which complies with clauses (i) and (ii) of subsection (b) of this definition;

(b) the consummation of any acquisition, merger or consolidation involving any Third Party (a "Business Combination Transaction"), unless immediately following such Business Combination Transaction, (i) the individuals and entities who were the beneficial owners, respectively, of the Outstanding Common Stock and Outstanding Voting Securities immediately prior to such Business Combination Transaction beneficially own, directly or indirectly, fifty percent (50%) or more of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or other entity resulting from such Business Combination Transaction (including a corporation which as a result of such transaction owns the then-outstanding securities of such Party or all or substantially all of such Party's assets either directly or through one or more subsidiaries) in

substantially the same proportions as their ownership, immediately prior to such Business Combination Transaction, of the Outstanding Common Stock and Outstanding Voting Securities, as the case may be and (ii) fifty percent (50%) or more of the members of the board of directors of the corporation resulting from such Business Combination Transaction were members of the Board of Directors of such Party at the time of the execution of the initial agreement, or of the action of the Board of Directors of such Party, providing for such Business Combination Transaction; or

(c) a Party or any of its Affiliates sells or transfers to any Specified Person(s) (other than the other Party or its Affiliates) in one or more related transactions properties or assets representing all or substantially all of such Party's business or assets at the time of such sale or transfer.

1.23 "**Claim**" has the meaning set forth in Section 15.3.

1.24 "**Clinical Trial**" means any human clinical trial of a Product.

1.25 "**CMC**" means chemistry, manufacturing and controls with respect to Compounds and/or Products, including the chemistry, manufacturing and controls section of Regulatory Materials for the Product.

1.26 "**Collaboration Target**" means the Initial Collaboration Targets set forth on **Exhibit F** and any Additional Target or Substitute Target that is selected in accordance with Section 3.3 of this Agreement.

1.27 "**Combination Product**" means a product that includes at least one additional active ingredient (whether coformulated or copackaged) which is not a Compound. Pharmaceutical dosage form vehicles, adjuvants, and excipients shall not be deemed to be "active ingredients", except in the case where such vehicle, adjuvant, or excipient is recognized by the FDA as an active ingredient in accordance with 21 CFR 210.3(b)(7).

1.28 "**Commercialize**" or "**Commercialization**" means the marketing, promotion, sale (and offer for sale or contract to sell), distribution, importation or other commercial exploitation (including pricing and reimbursement activities) for a Product in the Territory. Commercialization shall include commercial activities conducted in preparation for Product launch.

1.29 "**Commercialization Wind-Down Period**" has the meaning set forth in Section 13.6(c).

1.30 "**Compound**" means (i) each of the Antibodies and Masks set forth on Schedule 1.30 hereto, (ii) any monospecific Probody discovered by CytomX as of the Effective Date or thereafter during the term of the Agreement (whether or not part of the performance of the Preclinical Development Program), (ii) any monospecific Probody discovered by BMS as part of the performance of the Preclinical Development Program or its exercise of its rights under Section 7.1(d), (iii) any monospecific Probody for which BMS' manufacture, approved use and/or sale thereof would infringe a Valid Claim of the CytomX Patent Rights or Product Specific Patents but for the exclusive license granted to BMS under this Agreement, in each case that (a) selectively binds to a Collaboration Target, and (b) is intended to exert its primary biological effect through binding to such Collaboration Target, and (iv) any bi-specific Probody directed to two Collaboration Targets which meets the criteria of (i), (ii) or (iii) above.

1.31 "**Confidential Information**" means, with respect to a Party, and subject to Section 12.1, all non-public Information of such Party that is disclosed to the other Party under this Agreement, which may include specifications, know-how, trade secrets, technical information, models, business information, inventions, discoveries, methods, procedures, formulae, protocols, techniques, data, and unpublished patent applications, whether disclosed in oral, written, graphic, or electronic form. All Information disclosed by a Party pursuant to the Prior CDA shall be deemed to be the Confidential Information of such Party pursuant to this Agreement (with the mutual understanding and agreement that any use or disclosure thereof that is authorized under Article 12 shall not be restricted by, or be deemed a violation of, such Prior CDA).

1.32 "**Control**" means, with respect to any material, Information, or intellectual property right, that a Party (a) owns such material, Information, or intellectual property right, or (b) has a license or right to use to such material, Information, or intellectual property right, in each case (a) or (b) with the ability to grant to the other Party access, a right to use, or a license, or a sublicense (as applicable) to such material, Information, or intellectual property right on the terms and conditions set forth herein, without violating the terms of any agreement or other arrangement with any Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use or (sub)license.

1.33 "**Cover**", "**Covered**" or "**Covering**" means, with respect to Product (and/or Compound) and a Patent, that, in absence of a (sub)license under, or ownership of, such Patent, the making, using, offering for sale, selling or importing of such Product (and/or Compound) would infringe such Patent as issued or following its issuance.

1.34 "**CytomX Claims**" has the meaning set forth in Section 15.2.

1.35 "**CytomX Damages**" has the meaning set forth in Section 15.2.

1.36 "**CytomX Indemnitees**" has the meaning set forth in Section 15.2.

1.37 "**CytomX Know-How**" means all Information Controlled as of the Effective Date or thereafter during the Term by CytomX and/or its Affiliate(s) that encompass or relate to Probodies, Compounds and/or Products or that is necessary or reasonably useful for the discovery, Development, manufacture, use and/or Commercialization of Compounds and/or Products. CytomX Know-How includes all chemical, structural, manufacturing process, biological, pharmacological, toxicological, clinical, assay and other methods of screening, structure activity relationship information or other information that relates to Probodies, Compounds or Products (including its composition, formulation, or method of use, manufacture, preparation or administration); provided that, CytomX Know-How shall not include: (a) any Tools, (b) any other Information generated after the end of the applicable Research Term that is not necessary or reasonably useful for the Development, manufacture or Commercialization of Compounds or Products. Information generated after the end of the Research Term shall be considered "reasonably useful" only if such Information relates to a Compound alone or incorporated in a Product (but not including formulation technologies). CytomX Know-How shall exclude rights under any CytomX Patent Rights or Product Specific Patents and CytomX's interest in any Joint Patents. Subject to and to the extent as provided in Section 12.6, the use of "Affiliate" in this definition shall exclude any Third Party that becomes an Affiliate due to such Third Party's acquisition of CytomX in a Change of Control Transaction.

1.38 "**CytomX Manufacturing Technology**" means all CytomX Know-How and CytomX Materials that are necessary or reasonably useful for BMS (or its Third Party manufacturer) to manufacture the Compounds and/or Products, including (to the extent applicable and in the possession and Control of CytomX and/or its Affiliate(s)) Information with respect to the production, manufacture, processing, filling, finishing, packaging, inspection, receiving, holding and shipping of Compounds and/or Products, or any raw materials or packaging materials with respect thereto, or any intermediate of any of the foregoing, including process and cost optimization, process qualification and validation, commercial manufacture, stability, in-process and release testing, quality assurance and quality control).

1.39 "**CytomX Materials**" means all tangible materials in the possession and Control of CytomX and/or its Affiliate(s) as of the Effective Date or thereafter during the Research Term that are necessary or reasonably useful for the evaluation, Development and/or manufacture of Compounds and that are provided by CytomX to BMS in accordance with the Preclinical Plan; provided that, CytomX Materials shall not include: (a) any Tools, or (b) any Materials generated after the end of the applicable Research Term that are not necessary for the Development or Commercialization of the Compound or Products. Subject to and to the extent as provided in Section 12.6, the use of "Affiliate" in this definition shall exclude any Third Party that becomes an Affiliate due to such Third Party's acquisition of CytomX in a Change of Control Transaction.

1.40 "**CytomX Patent Rights**" means all Patents that are Controlled as of the Effective Date or thereafter during the Term by CytomX and/or its Affiliate(s) and that Cover any Compound and/or Product (including in each case its composition, formulation, combination, product by process, or method of use, manufacture, preparation or administration) or that would be necessary or reasonably useful for the discovery, Development, manufacture, use and/or Commercialization of Compounds and/or Products in the Field in the Territory including CytomX's interest in Joint Patents; provided that CytomX Patent Rights shall not include: (a) Product Specific Patents, (b) any Tools or (c) any other Patents generated after the end of the applicable Research Term that are not necessary or reasonably useful for the Development, manufacture or Commercialization of the Compound or Products. Patents filed after the end of the Research Term shall be considered "reasonably useful" only if such Patents relate to a Compound alone or as incorporated in a Product (but not including formulation technologies). For clarity, subject to and to the extent as provided in Section 12.6, the use of "Affiliate" in this definition shall exclude any Third Party that becomes an Affiliate due to such Third Party's acquisition of CytomX in a Change of Control Transaction. As of the Execution Date, the CytomX Patent Rights consist of the Patents listed in **Exhibit B**.

1.41 "**CytomX Technology**" means the CytomX Patent Rights, CytomX Know-How and CytomX Materials.

1.42 "**Develop**" or "**Development**" means all activities that relate to (a) obtaining, maintaining or expanding Regulatory Approval of a Product and to supporting appropriate usage for such Product, for one or more indications in the Field. This includes: (i) preclinical/nonclinical research and testing, toxicology, and Clinical Trials; and (ii) preparation, submission, review, and development of data or

information and Regulatory Materials for the purpose of submission to a governmental authority to obtain, maintain and/or expand Regulatory Approval of a Product (including contacts with Regulatory Authorities).

1.43 "**Diligent Efforts**" means, with respect to BMS' obligations under this Agreement to Develop or Commercialize a Compound or Product, the carrying out of such obligations or tasks with a level of effort and resources consistent with the commercially reasonable practices devoted by BMS for the research, development, manufacture or commercialization of a pharmaceutical product owned by it (or to which it has exclusive rights) that BMS is actively Developing or Commercializing at a similar stage of development or commercialization, and of similar market potential, and profit potential, based on conditions then prevailing. Such efforts may take into account, without limitation, issues of safety and efficacy, regulatory authority-approved labeling, product profile, the competitiveness of alternative products in the marketplace, pricing/reimbursement for the product in a country relative to other markets, the likely timing of the product's entry into the market, the patent and other proprietary position, the likelihood of regulatory approval and other relevant scientific, technical and commercial factors, *provided* that Diligent Efforts with respect to a Product requires that BMS: (a) set, and seek to achieve, specific objectives for carrying out its Development and Commercialization efforts, and (b) make and implement decisions and allocate appropriate resources for achieving such objectives. "**Diligent Efforts**" means, with respect to CytomX's obligations under this Agreement, the carrying out of such obligations or tasks with a level of effort and resources consistent with the commercially reasonable practices normally devoted by a biotechnology company, subject to and in accordance with the terms and conditions of this Agreement.

1.44 "**Disclosing Party**" has the meaning set forth in Section 12.1.

1.45 "**Dollar**" or "**$**" means the lawful currency of the United States.

1.46 "ECN" or **"Early Candidate Nomination"** means a Compound or Product that has been approved by BMS [***].

1.47 "Effective Date" has the meaning set forth in Section 17.2.

1.48 "**Execution Date**" means the date specified in the initial paragraph of this Agreement.

1.49 "**EMA**" means the European Medicines Agency and any successor agency thereto.

1.50 "**Europe**" means the countries comprising the European Union as it may be constituted from time to time, together with those additional countries comprising the European Economic Area (as of the Execution Date, Iceland, Liechtenstein and Norway) as it may be constituted from time to time and Switzerland.

1.51 "**EU**" or "**European Union**" means the European Union, as its membership may be constituted from time to time, and any successor thereto, and which, as of the Execution Date, consists of Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom, and that certain portion of Cyprus included in such organization.

1.52 "**Excluded Target**" has the meaning set forth in Section 3.3(d).

1.53 "**Executive Officer**" means, in the case of BMS, any senior executive who reports directly to the Chief Scientific Officer of BMS or his or her designee, and in the case of CytomX, CytomX's Chief Executive Officer.

1.54 "**Existing License Agreements**" means the in-license agreements between CytomX and a Third Party set forth on **Exhibit A**.

1.55 "**Existing Third Party Licensor**" means a Third Party that is a party to an Existing License Agreement.

1.56 "**Expert**" means a mutually acceptable, disinterested, conflict-of-interest-free individual not affiliated with either Party or its Affiliates who, with respect to a dispute concerning a financial, commercial, scientific or regulatory matter possesses appropriate expertise to resolve such dispute. The Expert (or any of the Expert's former employers) shall not be or have been at any time an Affiliate, employee, consultant (during the previous [***]), officer or director of either Party or any of its Affiliates.

1.57 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.58 "**FD&C Act**" or "**Act**" means the United States Federal Food, Drug and Cosmetic Act, as amended.

1.59 "**Field**" means all indications and uses, including all human disease indications and therapeutic uses.

1.60 "**First Commercial Sale**" means, with respect to a Product and country, the first sale to a Third Party of such Product in such country after Regulatory Approval (including any required pricing and reimbursement approvals) has been obtained in such country [***].

1.61 "**FTE**" means the equivalent of the work of one appropriately qualified individual working on a full-time basis in performing work in support of the Preclinical Development Program for a [***]. No additional payment shall be made with respect to any person who works more than [***] per year, and any person who devotes less than [***] per year shall be treated as an FTE on a pro-rata basis, based upon the actual number of hours worked by such person on the Preclinical Development Program, divided by [***]. FTE efforts shall not include the work of general corporate or administrative personnel.

1.62 "**FTE Rate**" means the yearly rate at which BMS will fund CytomX FTEs during the Research Term, which rate is specified in Section 3.4(a) [***].

1.63 "**GAAP**" means generally accepted accounting principles in the U.S. consistently applied.

1.64 "**cGMP**" or "**GMP**" means current Good Manufacturing Practices as specified in the United States Code of Federal Regulations, MHLW regulations, ICH Guideline Q7A, or equivalent laws, rules, or regulations of an applicable Regulatory Authority at the time of manufacture.

1.65 "**Governmental Authority**" means any multi-national, federal, state, local, municipal or other government authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, court, tribunal or other entity).

1.66 "**ICH**" means International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.

1.67 "**IND**" means (a) an Investigational New Drug Application as defined in the FD&C Act and applicable regulations promulgated thereunder by the FDA, or (b) the equivalent application to the applicable Regulatory Authority in any other regulatory jurisdiction, the filing of which is necessary to initiate or conduct clinical testing of a pharmaceutical product in humans in such jurisdiction.

1.68 "**IND Filing**" means the acceptance by the FDA of the filing of an IND for the applicable Compound in the U.S.

1.69 "**Indemnified Party**" has the meaning set forth in Section 15.3.

1.70 "**Indemnifying Party**" has the meaning set forth in Section 15.3.

1.71 "Indication" has the meaning set forth in Section 8.3(c).

1.72 "**Information**" means any data, results, and information of any type whatsoever, in any tangible or intangible form, including know-how, trade secrets, practices, techniques, methods, processes, inventions, developments, specifications, formulations, formulae, software, algorithms, marketing reports, expertise, stability, technology, test data including pharmacological, biological, chemical, biochemical, toxicological, and clinical test data, analytical and quality control data, stability data, studies and procedures.

1.73 "**Infringement**" has the meaning set forth in Section 9.5(a).

1.74 "**Infringement Action**" has the meaning set forth in Section 9.5(b).

1.75 "**Initial Collaboration Targets**" has the meaning set forth in Section 3.3(c)(i).

1.76 "**Insolvency Event**" has the meaning set forth in Section 13.5.

1.77 "**Joint Invention**" has the meaning set forth in Section 9.1.

1.78 "**Joint Patent**" means a Patent that claims a Joint Invention.

1.79 "**Joint Research Committee**" or "**JRC**" means the committee formed by the Parties as described in Section 2.1(a).

1.80 "**Litigable Matter**" means any dispute between the Parties concerning the validity, scope, enforceability, inventorship, or ownership of intellectual property rights, or any breach or alleged breach by a Party of any of Sections 12.1, 12.2, 15.1, 15.2 and 15.3 by a Party.

1.81 "**MAA**" or "**Marketing Authorization Application**" means an application for Regulatory Approval for a Product in a country or region of the Territory.

1.82 "**MAA Filing**" means validation by the EMA of the filing of a Marketing Authorization Application for the applicable Product under the centralized EMA filing procedure, as demonstrated by the start of the procedure under the timetable adopted by the Committee for Medicinal Products for Human Use (CHMP). If the centralized EMA filing procedure is not used, MAA Filing will be achieved upon the first filing of an MAA for the applicable Product in any of the Major European Countries.

1.83 "**Major European Countries**" means [***].

1.84 "**Major Market**" means the **[***].**

1.85 "**Manufacturing Technology Documentation**" has the meaning set forth in Section 6.2.

1.86 "Mask" means a peptide linked to an Antibody, wherein the peptide inhibits the specific binding of the Antibody to its target.

1.87 "**MHLW**" means the Japanese Ministry of Health, Labour and Welfare, and any successor agency thereto.

1.88 "**Net Sales**" means the gross amount invoiced in arms-length transactions by a Related Party(ies) from or on account of the sale of Products to a non-Related Party (net of any inventory management fees or similar fees based on or reasonably allocable to the sale of Products), less the sum of the following:

(a) credits or allowances, if any are actually allowed, on account of price adjustments, recalls, claims, damaged goods, rejections or returns of items previously sold (including Product returned in connection with recalls or withdrawals) and amounts written off by reason of uncollectible debt;

(b) import taxes, export taxes, excise taxes (including fees due under the United States Patient Protection and Affordable Care Act of 2010), sales taxes, value-added taxes, consumption taxes, duties or other taxes levied on, absorbed determined and/or imposed with respect to such sales (excluding income or net profit taxes or franchise taxes of any kind), to the extent not reimbursed by a non-Related Party;

(c) freight insurance, customs charges, freight, shipping and other transportation costs incurred in shipping Product to such non-Related Parties, to the extent not reimbursed by a non-Related Party;

(d) discounts (including trade, quantity and cash discounts) actually allowed, cash and non-cash coupons, retroactive price reductions, and charge-back payments and rebates granted to any non-Related Party (including to governmental entities or agencies, purchasers, reimbursers, customers, distributors, wholesalers, and group purchasing and MCOs (and other similar entities and institutions));

(e) rebates (or their equivalent), administrative fees, chargebacks and retroactive price adjustments and any other similar allowances granted to non-Related Parties (including to Governmental Authorities, purchasers, reimbursers, customers, distributors, wholesalers, and MCOs (and other similar entities and institutions)) which effectively reduce the selling price or gross sales of the Product;

(f) in the case where a mechanical drug delivery device is sold with or for use with Product, either (i) in the case where a Product is sold with the drug delivery device (i.e., not separately), 150% of the manufacturing cost for such drug delivery device sold with such Product or (ii) if such drug delivery device is sold separately from the Product by a Related Party, the gross invoice price of such drug delivery device; and

(g) in the case where a mechanical drug delivery device is sold with or for use with Product, the royalties actually paid to Third Parties in connection with such sale of such drug delivery device with or for use with such Product (including royalties payable on sales of Product).

No deduction shall be made for any item of cost incurred by any Related Party in Developing or Commercializing Products except as permitted pursuant to clauses (a) to (f) of the foregoing sentence; *provided* that, Products transferred to non-Related Parties in connection with Clinical Trials and non-clinical research and trials, Product samples, compassionate sales or use, or an indigent program or similar bona fide arrangements in which a Related Party agrees to forego a normal profit margin for good faith business reasons shall give rise to Net Sales only to the extent that any Related Party invoices or receives amounts therefor.

Product shall be considered “sold” when invoiced. Such amounts shall be determined from the books and records of the Related Party.

It is understood that any accruals for individual items reflected in Net Sales are periodically (at least Quarterly) trued up and adjusted by each Related Party consistent with its customary practices and in accordance with GAAP.

Sale or transfer of Products between any of the Related Parties shall not result in any Net Sales, with Net Sales to be based only on any subsequent sales or dispositions to a non-Related Party. To the extent that any Related Party receives consideration other than or in addition to cash upon the sale or disposition of a Product to a non-Related Party, Net Sales shall include the fair market value of such additional consideration for such sale or disposition of Products. For clarity, (i) Net Sales shall not include amounts or other consideration received by a Related Party from a non-Related Party in consideration of the grant of a (sub)license or co-promotion or distribution right to such non-Related Party, (ii) sales to a Third Party distributor, wholesaler, group purchasing organization, pharmacy benefit

manager, or retail chain customer shall be considered sales to a non-Related Party and not to a Sublicensee; and (iii) Net Sales by a Related Party to a non-Related Party consignee are not recognized as Net Sales by such Related Party until the non-Related Party consignee sells the Product.

Net Sales of any Combination Product for the purpose of calculating milestones or royalties due under this Agreement shall be determined on a country-by-country basis for a given accounting period as follows: first, the Related Party(ies) shall determine the actual Net Sales of such Combination Product (using the above provisions), and then: such Net Sales amount for the Combination Product shall be multiplied by the fraction A/(A+B), where A is the net selling price in such country of a Product containing only the applicable Compound, if sold separately for the same dosage as contained in the Combination Product, and B is the net selling price in such country of any other active ingredients in the combination if sold separately for the same dosage as contained in the Combination Product. All net selling prices of the elements of such end-user product or service shall be calculated as the average net selling price of the said elements during the applicable accounting period for which the Net Sales are being calculated. In the event that, in any country, no separate sale of either such above-designated Product (containing only the applicable Compound and no other active ingredients) or any one or more of the active ingredients included in such Product are made during the accounting period in which the sale was made or if net selling price for an active ingredient cannot be determined for an accounting period, Net Sales allocable to the Product in each such country shall be determined by mutual agreement reached in good faith by the Parties prior to the end of the accounting period in question based on an equitable method of determining same that takes into account, on a country-by-country basis, all relevant factors (including variations in potency, the relative contribution of each active ingredient in the combination, and relative value to the end user of each active ingredient.

1.89 "**Patent**" means (a) all patents and patent applications, including provisional patent applications, (b) all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from any of these, including divisionals, continuations, continuations-in-part, converted provisionals, and continued prosecution applications, (c) any and all patents that have issued or in the future issue from the foregoing patent applications in (a) and (b), including utility models, petty patents and design patents and certificates of invention, (d) any and all extensions or restorations by existing or future extension or restoration mechanisms, including adjustments, revalidations, reissues, re-examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications in (a), (b) and (c), and (e) any similar rights, including so-called pipeline protection, or any importation, revalidation, confirmation or introduction patent or registration patent or patents of addition to any of such foregoing patent applications and patents.

1.90 "**Patent Challenge**" has the meaning set forth in Section 9.10.

1.91 "**Patent Contact**" has the meaning set forth in Section 9.12.

1.92 "**Patent Prosecution Costs**" means the direct out-of-pocket costs (including the reasonable fees and expenses incurred to outside counsel and other Third Parties, including filing, prosecution and maintenance fees incurred to Governmental Authorities) recorded as an expense by a Party or any of its Affiliates (in accordance with GAAP and its customary accounting practices) after the Effective Date and during the Term and pursuant to this Agreement, in connection with the preparation,

filing, prosecution, maintenance and extension of Patents, including costs of Patent interference, appeal, opposition, reissue, reexamination, revocation, petitions or other administrative proceedings with respect to Patents and filing and registration fees.

1.93 "**Person**" means any individual, firm, corporation, partnership, limited liability company, trust, business trust, joint venture company, governmental authority, association or other entity.

1.94 "**Phase 1 Clinical Trial**" means a Clinical Trial of a Product on sufficient numbers of normal volunteers and/or patients that is designed to establish that such Product is safe for its intended use and to support its continued testing in Phase 2 Clinical Trials. For purposes of this Agreement, 'initiation' of a Phase 1 Clinical Trial for a Product means the first dosing of such Product in a human subject in a Phase 1 Clinical Trial.

1.95 "**Phase 2 Clinical Trial**" means a Clinical Trial of a Product, including a separate Clinical Trial or the second part of a fused "Phase 1/2" trial, where either such separate Clinical Trial or second part of such fused "Phase 1/2" trial utilizes the pharmacokinetic and pharmacodynamic information obtained from one or more previously conducted Phase 1 Clinical Trial(s) that is designed to provide a preliminary determination of efficacy or an appropriate dose of such Product in the target patient population. For purposes of this Agreement, 'initiation' of a Phase 2 Clinical Trial for a Product means the first dosing of such Product in a human subject in a Phase 2 Clinical Trial.

1.96 "**Phase 3 Clinical Trial**" means a Clinical Trial of a Product on sufficient numbers of patients that is designed to establish that such Product is 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 to support Regulatory Approval of such Product or label expansion of such Product. A Phase III trial shall include a trial intended as a registration trial that will form the basis for obtaining Regulatory Approval, whether or not such Clinical Trial is designated as a Phase III trial. For purposes of this Agreement, 'initiation' of a Phase 3 Clinical Trial for a Product means the first dosing of such Product in a human subject in a Phase 3 Clinical Trial.

1.97 "**Preclinical Plan**" has the meaning set forth in Section 3.3(a).

1.98 "**Preclinical Development Program**" has the meaning set forth in Section 3.1.

1.99 "**Preclinical Development Program Costs**" has the meaning set forth in Section 3.4(c).

1.100 "**Prior CDA**" means the Confidentiality Agreement entered into by BMS and CytomX effective as of July 1, 2011 (as amended).

1.101 "Probody" means a recombinant Antibody linked with a Substrate and a Mask.

1.102 "**Product**" means any pharmaceutical product containing a Compound (alone or with other active ingredients), in all forms, presentations, formulations, methods of administration and dosage forms.

1.103 "**Product Specific Patent**" means any Patent (including all claims and the entire scope of claims therein) Controlled as of the Effective Date or thereafter during the Term by CytomX (or any CytomX Affiliate) (including CytomX's interest in any Joint Patents) that specifically Covers the composition, formulation, or method of use of any Compound and/or Product, but does not cover any other subject matter, such as Probodies against targets other than Collaboration Targets. Notwithstanding the foregoing, [***]. As of the Execution Date, the Product Specific Patents consist of the Patents listed in **Exhibit C**.

1.104 "**Prosecute**" or "**Prosecution**" has the meaning set forth in Section 9.2(a).

1.105 "**Prosecuting Party**" has the meaning set forth in Section 9.4(c).

1.106 "**Publication**" has the meaning set forth in Section 12.4.

1.107 "**Receiving Party**" has the meaning set forth in Section 12.1.

1.108 "**Regulatory Approval**" means with respect to a country, extra-national territory, province, state, or other regulatory jurisdiction, any and all approvals, licenses, registrations or authorizations of any Regulatory Authority necessary in order to commercially distribute, sell, manufacture, import, export or market a product in such country, state, province, or some or all of such extra-national territory or regulatory jurisdiction, but which shall exclude any pricing and reimbursement approvals.

1.109 "**Regulatory Authority**" means, with respect to a particular country, extra-national territory, province, state, or other regulatory jurisdiction, any applicable Governmental Authority involved in granting Regulatory Approval and/or, to the extent required for such country, extra-national territory, province, state, or other or regulatory jurisdiction, pricing or reimbursement approval of a Product in such country or regulatory jurisdiction, including the FDA, the EMA, the European Commission and the MHLW, and in each case including any successor thereto.

1.110 "**Regulatory Materials**" means regulatory applications, submissions, dossiers, notifications, registrations, Regulatory Approvals and/or other filings made to or with, or other approvals granted by, a Regulatory Authority that are necessary or reasonably desirable in order to Develop, manufacture or Commercialize a Product in a particular country or regulatory jurisdiction. Regulatory Materials include INDs, MAAs and NDAs.

1.111 "**Related Party**" shall mean BMS and its Affiliates and their respective Sublicensees (and such Sublicensees' Affiliates) of one or more Products. For clarity, Related Party shall not include any distributors, wholesalers or the like unless such entity is an Affiliate of BMS.

1.112 "**Research Term**" has the meaning set forth in Section 3.2.

1.113 "**Research Year**" means each twelve (12) month period during the Research Term, with the first Research Year beginning on the Effective Date.

1.114 "**Reserved Target**" has the meaning set forth in Section 3.3(d).

1.115 "**Royalty Term**" has the meaning set forth in Section 8.5(f).

1.116 "**Safety Reason**" means it is BMS' or any of its Affiliates' or Sublicensees' reasonable belief that based upon additional information that becomes available or an analysis of the existing information at any time, that the medical risk/benefit of further Development and/or Commercialization of such Compound or Product is so unfavorable as to be incompatible with the welfare of patients.

1.117 "**SEC**" means the U.S. Securities and Exchange Commission.

1.118 "**Sole Inventions**" has the meaning set forth in Section 9.1.

1.119 "**Sublicensee**" means any Third Party granted a sublicense under Section 7.2 hereof to the rights licensed to BMS hereunder, but shall not include any wholesaler or distributor that does not market or promote such Product.

1.120 "**Substitute Target**" has the meaning set forth in Section 3.3(c)(ii).

1.121 "**Substrate**" means a peptide linked to an Antibody and to a Mask, wherein such peptide when cleaved enables the Antibody to specifically bind to a target.

1.122 "**Target**" means: (i) a protein and any fragments thereof (that preserve the utility of the full length protein as a target), encoded by a gene sequence or identified in GenBank by an accession number, including any isoforms, mutants, and polymorphisms thereof, or (ii) a distinct non-protein biomolecule (e.g., a lipid-bound carbohydrate), as such biomolecule is identified in GenBank by an accession number or similar structural information that identifies such biomolecule, or (iii) upon mutual agreement of the Parties (not to be unreasonably withheld), after good faith discussion at the JRC, any other distinct biomolecule (e.g., a protein-bound carbohydrate), in each case that is capable of being bound by an Antibody

1.123 "**Target Reviewer**" has the meaning set forth in Section 3.3(d).

1.124 "**Term**" has the meaning set forth in Section 13.1.

1.125 "**Termination Notice**" has the meaning set forth in Section 13.3(a).

1.126 "**Territory**" means all countries of the world.

1.127 "**Third Party**" means any Person other than CytomX or BMS or an Affiliate of either of CytomX or BMS.

1.128 "**Third Party Costs**" means the out-of-pocket costs and expenses incurred or accrued by CytomX with respect to payments made by CytomX to Third Parties in conducting the activities assigned to CytomX or its Affiliates (or such Third Party) pursuant to the then-current Preclinical Plan, and in accordance with the Budget for such Third Party Costs as agreed to by the JRC and set forth in the

Preclinical Plan. Third Party Costs may include, for example, raw materials for manufacturing gram quantities of Compound, Third Party manufacturing of Compounds, Preclinical Development Program-specific animals or studies performed by outside (sub)contractors, but shall not include routine laboratory supplies, reagents or media.

1.129 "**Tools**" means [***]. As of the Execution Date, the Patents among the Tools consist of the Patents listed in **Exhibit D**.

1.130 "**U.S.**" means the United States of America and its territories, districts and possessions.

1.131 "**Valid Claim**" means either (a) a claim of an issued and unexpired patent which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal and that is not admitted to be invalid or unenforceable through reissue, disclaimer or otherwise (i.e., only to the extent the subject matter is disclaimed or is sought to be deleted or amended through reissue), or (b) a claim of a pending patent application that has not been abandoned, finally rejected or expired without the possibility of appeal or refiling, *provided however*, that Valid Claim shall exclude any such pending claim in an application that has not been granted within seven (7) years following the earliest priority filing date for such application (unless and until such claim is granted).

2. GOVERNANCE

2.1 Joint Research Committee.

(a) **Establishment of JRC**. Promptly after the Effective Date and no later than the date which is thirty (30) days subsequent to the Effective Date, the Parties will establish a joint research committee with the roles set forth in Section 2.1(c) (the "**Joint Research Committee**" or "**JRC**"). Each Party will initially appoint three (3) representatives to the JRC. The JRC may change its size from time to time by mutual consent of its members, *provided* that the JRC will consist at all times of an equal number of representatives of each of CytomX and BMS. The JRC membership and procedures are further described in this Section 2.1. Each Party may at any time appoint different JRC representatives by written notice to the other Party.

(b) **Membership of JRC.** Each of CytomX and BMS will designate representatives with appropriate expertise to serve as members of the JRC. Each of CytomX and BMS will select from their representatives a co-chairperson for the JRC, and each Party may change its designated co-chairperson from time to time upon written notice to the other Party. The co-chairpersons of the JRC, with assistance and guidance from the Alliance Managers, will be responsible for calling meetings and preparing and circulating an agenda in advance of each meeting, *provided* that the co-chairpersons will call a meeting of the JRC promptly upon the reasonable written request of either co-chairperson to convene such a meeting.

(c) **Role of JRC.** The JRC will be responsible for (i) the overall management of the Preclinical Development Program, and for approving changes and updates to the Preclinical Plan, (ii) the monitoring, reviewing and recording of the progress of the Preclinical Development Program, (iii)

setting, and monitoring the spending against the Budget for Preclinical Development Program Costs, as set forth in the Preclinical Plan, and (iv) facilitating the prosecution of the Product Specific Patents in accordance with Article 9 below. As needed, the JRC shall establish subcommittees and working groups that will report to the JRC to further the objectives of the Preclinical Development Program.

(d) **Decisions.** Decisions of the JRC shall be by consensus, *provided* that if the JRC is unable to reach consensus with respect to any such decision, BMS shall have the final decision-making authority after escalation to Executive Officers in accordance with Section 16.1; *provided further* that BMS may not use its final decision-making authority to (i) require CytomX to violate any Applicable Law or any agreement it may have with any Third Party, (ii) amend the terms and conditions of this Agreement, (iii) make any changes in the number of BMS-funded CytomX FTEs except in accordance with Section 3.4, (iv) require CytomX to incur any additional out-of-pocket costs (other than routine laboratory supplies) in the conduct of the Preclinical Development Program beyond the Third Party Costs specified in the Budget for the Preclinical Plan, or (v) require CytomX to conduct any activities outside the scope of the discovery, research, manufacture and/or pre-clinical development of Compounds.

(e) **JRC Meetings.** The JRC will hold meetings at such times and places as the co-chairpersons may determine. The JRC will meet at least once every calendar quarter during the Research Term and the JRC will meet semi-annually thereafter until discontinuation of the JRC in accordance with section 2.2 below. The meetings of the JRC need not be in person and may be by telephone or any other method determined by the JRC. Each Party will bear its own costs associated with attending such meetings.

2.2 Discontinuation of JRC. With respect to each Collaboration Target, the JRC shall continue to exist until the first to occur of (a) the Parties mutually agreeing to disband the JRC, or (b) at any time subsequent to the commencement of a Clinical Trial with respect to a Product directed towards such Collaboration Target upon thirty (30) days prior written notice by either Party. Thereafter the JRC shall have no further roles or responsibilities under this Agreement with respect to such Collaboration Target, and the JRC shall be replaced by designees of each Party (who may be the Alliance Manager) that shall serve as a forum for the Parties for the purposes of the exchange of information and to update CytomX on the progress of the Development and Commercialization of Products, including material regulatory developments that are related to such Products being Probodies. Upon reasonable request by CytomX, but not more often than two times per year, the Parties shall meet to discuss such ongoing development and commercialization efforts by BMS, so that CytomX remains reasonably informed as to the status, progress and plans for the Compounds and Products hereunder.

2.3 Limitations on Authority of the JRC. The JRC will have solely the roles and responsibilities assigned to it in this Article 2. The JRC will have no authority to amend, modify or waive compliance with this Agreement. For avoidance of doubt, the JRC will have no authority to amend, modify or limit BMS' final decision-making authority with respect to the Development and Commercialization of Compound and Product as set forth in this Agreement. The JRC shall not have the authority to alter, or waive compliance by a Party with, a Party's obligations under this Agreement.

2.4 Alliance Managers. Each of the Parties will appoint one representative who possesses a general understanding of Development issues to act as its alliance manager (each, an "**Alliance**

Manager"). The role of the Alliance Manager is to act as a primary point of contact between the Parties to assure a successful relationship between the Parties. The Alliance Managers will attend all meetings of the JRC and support the co-chairpersons of the JRC in the discharge of their responsibilities. An Alliance Manager may bring any matter to the attention of the JRC if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party may change its designated Alliance Manager from time to time upon written notice to the other Party. Any Alliance Manager may designate a substitute to temporarily perform the functions of such Alliance Manager upon written notice to the other Party's Alliance Manager. Each Alliance Manager will be charged with creating and maintaining a collaborative work environment within the JRC. Each Alliance Manager also will:

(a) provide a single point of communication both internally within the Parties' respective organizations and between the Parties, including during such time as the JRC is no longer constituted;

(b) plan and coordinate any cooperative efforts under this Agreement, if any, and internal and external communications;

(c) take responsibility for ensuring that JRC activities, such as the conduct of required JRC meetings, occur as set forth in this Agreement and that relevant action items, if any, resulting from such meetings are appropriately carried out or otherwise addressed, and

(d) be the point of first referral in all matters of conflict resolution.

2.5 Accounting and Financial Reporting. The Parties will each appoint one (1) representative with expertise in the areas of accounting, cost allocation, budgeting and financial reporting (each, a "**Financial Representative**") no later than forty-five (45) days after the Effective Date. Such Financial Representative shall work under the direction of the JRC and directly with the Alliance Manager during the Research Term and shall provide services to and consult with the JRC thereafter, in order to address the financial, budgetary and accounting issues that arise in connection with the Preclinical Plan or Preclinical Development Program Costs. Each Financial Representative may be replaced at any time by the represented Party by providing notice thereof to the other Party. The Financial Representatives will meet as they or the JRC may agree is appropriate.

3. RESEARCH PROGRAM

3.1 Preclinical Development Program. During the Research Term, the Parties will collaborate in carrying out a research program to discover and preclinically Develop Compounds suitable for further clinical Development for human therapeutic uses (the "**Preclinical Development Program**"). The Preclinical Development Program will be carried out in accordance with the Preclinical Plan. The Preclinical Development Program will focus on discovery and preclinical work for Compounds. The Preclinical Development Program will also include activities directed toward the discovery and preclinical Development of Compounds that are backups or alternatives. The objective of the Preclinical Development Program will be to identify one or more Compounds for BMS to advance into human Clinical Trials and ultimately Commercialize as Product(s).

The Preclinical Development Program will be conducted by each Party in good scientific manner, and in compliance with all applicable good laboratory practices, and applicable legal requirements, to attempt to achieve efficiently and expeditiously the objectives of the Preclinical Development Program. Each Party will comply with all Applicable Laws in the performance of work under this Agreement. Each Party shall use reasonable efforts to ensure that its Affiliates and Third Party contractors (as applicable) perform any activities under the Preclinical Development Program in good scientific manner and in compliance in all material respects with the requirements of Applicable Law.

Each Party will maintain laboratories, offices and all other facilities at its own expense and risk necessary to carry out its responsibilities under the Preclinical Development Program pursuant to the Preclinical Plan. Each Party agrees to make its employees reasonably available at their respective places of employment to consult with the other Party on issues arising during the performance of the Preclinical Development Program. BMS and CytomX will cooperate with each other in carrying out the Preclinical Development Program.

3.2 Research Term.

(a) The Preclinical Development Program with respect to each Collaboration Target will be carried out during the two (2) year period following (x) the Effective Date, with respect to the Initial Collaboration Targets, and (y) the date of designation of a Substitute Target or an Additional Target, with respect to any such Substitute Target or Additional Target, unless (in each case) this Agreement is terminated in accordance with Article 13 (such period, as may be extended pursuant to this Section 3.2, being the "**Research Term**"). BMS shall have the option to extend the Research Term with respect to any Collaboration Target for up to three (3) additional one (1) year periods on a year-by-year basis after (x) the initial two (2) year period with respect to such Collaboration Target. In order to exercise its option to extend the Research Term with respect to a given Collaboration Target, BMS must provide CytomX a written notice exercising BMS' option to extend the applicable Research Term at least [***] prior to the scheduled expiration of the applicable Research Term (i.e., the applicable anniversary of the Effective Date, with respect to the Initial Collaboration Targets, or the date of designation of a Substitute Target or an Additional Target, with respect to any such Substitute Target or Additional Target). If BMS does not provide such written notice, the Research Term will end when scheduled (i.e., on the applicable anniversary of the Effective Date, with respect to the Initial Collaboration Targets, and the date of designation of a Substitute Target or an Additional Target, with respect to any such Substitute Target or Additional Target).

(b) For each extension of the Research Term, subject to Section 3.4, the JRC will prepare, and approve in accordance with Section 2.1, an update to the Preclinical Plan which will include an updated Budget for the BMS-funded CytomX FTEs to perform the work required under such Preclinical Plan and any projected Third Party Costs.

3.3 Preclinical Plan.

(a) The Preclinical Development Program will be carried out in accordance with a written research plan (the "**Preclinical Plan**"). The purpose of the Preclinical Plan is to detail the responsibilities and activities of CytomX and BMS with respect to carrying out the Preclinical Development Program. The Preclinical Plan will include a description of the specific activities to be performed by CytomX in support of the Preclinical Development Program, the number of qualified CytomX FTEs to perform the activities in support of the Preclinical Development Program, projected timelines for completion of such activities and, as applicable, provisions for the supply of Compound by CytomX to BMS. The Preclinical Plan will also include a budget for the BMS-funded CytomX FTEs (based on the number of BMS-funded CytomX FTEs and the FTE Rate) and any projected Third Party Costs, with such budget to be update periodically by the JRC (the "**Budget**"), with such Budget to be updated in advance for each calendar quarter by the JRC, subject to this Section 3.3 and Section 3.4. As part of this calendar quarter update to the Budget, the JRC shall specify in writing for the coming calendar quarter period the number of CytomX FTEs assigned to the Preclinical Development Program (in accordance with Section 3.4), a summary of their activities, a listing of the CytomX scientists comprising such FTEs and their percentage of time devoted to working on the Preclinical Development Program. If BMS has concerns regarding any specific scientist assigned to the Preclinical Development Program, such concerns shall be communicated to the JRC for its consideration.

In accordance with the Preclinical Plan, CytomX will develop and optimize Masks, Substrates and Compounds, and will deliver such Masks, Substrates and Compounds to BMS. Such Masks, Substrates and Compounds may be further modified by BMS, provided no substantive changes shall be made to the Mask or Substrate of such Compound. Examples of permitted modifications to Mask or Substrate include modifications in the course of optimizing a Compound or a Product, provided that BMS may make any changes to the Antibody portion of the Compound or Product.

The initial Preclinical Plan that has been agreed to by the Parties as of the Execution Date is attached as **Exhibit E**.

(b) **Changes to the Preclinical Plan.** The Preclinical Plan will be reviewed by the JRC at least on a yearly basis (except the Budget, which will be reviewed and updated on a calendar quarter basis in accordance with Section 3.3(a)) and may be updated and amended from time to time, as the JRC determines, *provided* that if the JRC cannot reach consensus, BMS shall have final decision making authority subject to Section 2.1(d).

(c) **Collaboration Targets.**

(i) **Initial Collaboration Targets**. **Exhibit F** identifies the Collaboration Targets identified as of the Execution Date (the "Initial Collaboration Targets").

(ii) **Reserved Targets. Exhibit G** identifies the Reserved Targets (as further described in Section 3.3(d) below.

(iii) **Additional Target Option.** BMS shall have the right to add up to two (2) additional Targets to the collaboration (each such target, an "**Additional Target")**, subject to payment of the Additional Target Payment, and further subject to the Excluded Target Process set forth in Section 3.3(c) (the "**Additional Target Option**"). Any such Additional Target must be selected by BMS prior to the fifth (5^{th}) anniversary of the Effective Date by notice to CytomX. For clarity, BMS may designate an Additional Target that is directed to any indication within the field of oncology (including immuno-oncology), including a Target intended for a Probody-drug conjugate program.

(iv) **Substitute Targets.** BMS shall have the right to substitute and replace each Initial Collaboration Target with a new Target (such new target, a "**Substitute Target**"), subject to the Excluded Target Process set forth in Section 3.3(c). Any such replacement of an Initial Collaboration Target must [***]. In the case where BMS desires to replace an Initial Collaboration Target with a proposed Substitute Target, BMS shall inform CytomX, through the JRC, of BMS' basis (and providing technical/scientific supporting information) for wanting to replace such Initial Collaboration Target. For clarity, BMS may designate a Substitute Target that is directed to any indication within the field of oncology (including immuno-oncology), including a Target intended for a Probody-drug conjugate program.

(v) **Update to Preclinical Plan; Reversion of Rights**. In the case of any such designation of an Additional Target or a replacement of an Initial Collaboration Target with a Substitute Target, in advance of work being initiated by the Parties with respect to such Additional Target or Substitute Target, the JRC shall update the Preclinical Plan and Budget to include work on such Additional Target or Substitute Target, with the Preclinical Plan expected to be similar in scope and FTE effort as specified for each of the initial projects under the initial Preclinical Plan, it being understood that the Preclinical Development Program may be extended with respect to the Substitute Target or Additional Target. Each Party shall use reasonable best efforts to ensure that the JRC meets as promptly as reasonably practicable (and no later than within [***]) upon designation of an Additional Target or a replacement of an Initial Collaboration Target with a Substitute Target in order to develop and approve an updated Preclinical Plan and Budget with respect to such Additional Target or Substitute Target. Upon replacement of an Initial Collaboration Target with a Substitute Target, following the procedure set forth above, the previously designated Initial Collaboration Target shall no longer be considered a Collaboration Target, and all rights to the CytomX Technology related to such Initial Collaboration Target shall revert to CytomX in accordance with Section 13.6.

(d) **Excluded Target Process**. The following procedure shall be followed for the selection of an Additional Target or the replacement of an Initial Collaboration Target with a Substitute Target. Upon notice by BMS to CytomX of its desire to designate a Target as an Additional Target or a Substitute Target, CytomX shall provide an independent reviewer (mutually agreed to by BMS and CytomX) (the "**Target Reviewer**") with a list of all targets where CytomX has: [***] (any such target,

an "**Excluded Target**", and such list, the "**Excluded Target List**"), and CytomX shall notify BMS that the Excluded Target List has been provided to the Target Reviewer. Upon receipt of such notice BMS shall provide to the Target Reviewer the new Target that BMS proposes to become an Additional Target or a Substitute Target, including the GenBank accession number (or other identifying information) for such Target. The Target Reviewer would notify BMS, within [***] if the Target proposed by BMS as an Additional Target or as a Substitute Target is an Excluded Target (but not the reason such Target is an Excluded Target). In each circumstance where BMS notifies CytomX of its desire to designate a Target as the subject of a Substitute Target or Additional Target, CytomX shall provide the target Reviewer with an updated Excluded Target List prior to BMS proposing such new Target to the Target Reviewer. Accordingly, CytomX shall inform the Target Reviewer [***]. Any proposed Target that is not an Excluded Target (under the procedure set forth above) would be deemed selected by BMS as the Additional Target or Substitute Target.

3.4 Research Staffing and Funding.

(a) **Funded CytomX FTEs; FTE Rate.** Subject to Section 3.4(b), BMS will fund at the FTE Rate, and CytomX will provide the number of CytomX FTEs per Research Year during the Research Term to perform activities in support of the Preclinical Development Program, in accordance with the then-current Preclinical Plan, and in accordance with this Section 3.4. Throughout the Research Term, CytomX shall assign no less than the number of qualified CytomX FTEs in accordance with this Section 3.4 to perform the work set forth in the then-applicable Preclinical Plan, which currently contemplates [***]. The professional skills and expertise levels of such FTEs shall be appropriate to the scientific objectives of the Preclinical Development Program. The FTE Rate during the Research Term shall be [***]. For the avoidance of doubt, nothing in this Agreement herein shall be considered to establish an employment relationship between BMS and the CytomX FTEs funded by BMS pursuant to this Agreement.

(b) **Changes to the Number of Funded FTEs.** If the activities contemplated by the Preclinical Plan at any time during the Research Term do not justify the number of CytomX FTEs allocated to the Preclinical Development Program, the Parties will work in good faith to mutually agree to modify the scope of the Preclinical Plan or adjust the number of BMS-funded CytomX FTEs. The number of CytomX FTEs to be funded by BMS and provided by CytomX in support of the conduct of the Preclinical Development Program may be increased or decreased by the JRC in accordance with changes in the Preclinical Development Program and Preclinical Plan and shall be specified for each calendar quarter in the Budget as set forth in Section 3.3(a), provided that the number of CytomX FTEs to be provided by CytomX would not be decreased below [***] FTEs or increased to exceed [***] FTEs during the Research Term without CytomX' written consent. [***].

(c) **FTE Funding; Preclinical Development Program Costs.** CytomX will bear its own costs, including costs related to routine laboratory supplies and applicable overhead costs, in performing its obligations under the Preclinical Development Program, *provided* that, subject to the terms and conditions of this Agreement (including this Section 3.4(c)), BMS will make a payment to CytomX for the BMS-funded CytomX FTEs and Third Party Costs specified in the Budget, as may be amended in accordance with Section 3.3 and this Section 3.4 (such FTE payment and Third Party Costs being the "**Preclinical Development Program Costs**").

The number of BMS-funded CytomX FTEs shall be established in accordance with Section 3.4(a) and (b), and BMS shall fund such CytomX FTEs at the FTE Rate in accordance with the Budget. Such FTE payment obligation of BMS will be subject to CytomX providing such qualified CytomX FTEs. CytomX shall send BMS (to BMS' Financial Representative or otherwise as specified in writing by BMS) an invoice for the BMS-funded CytomX FTEs for a given calendar quarter within [***] following the end of such calendar quarter. Subject to this Section 3.4(c), such invoice for such BMS-funded CytomX FTEs reimbursable by BMS shall be payable within [***] after BMS receives such invoice.

CytomX shall invoice BMS for the Third Party Costs approved in writing by JRC within the Budget and incurred by CytomX for a given calendar quarter within [***] following the end of such calendar quarter (such invoice to be sent to BMS' Financial Representative or otherwise as specified in writing by BMS). Such invoice for such Third Party Costs reimbursable by BMS shall be payable within [***] after BMS receives such invoice. For clarity, all Third Party Costs that would be reimbursable under this Agreement must be approved by JRC in writing.

3.5 Responsibility for Expenses for Conduct of Preclinical Development Program. Except as set forth in Section 3.4 or as may be otherwise specifically agreed to in writing by CytomX and BMS, each Party shall be responsible for its own costs and expenses that it incurs in connection with the conduct of the Preclinical Development Program.

3.6 Preclinical Development Program Records. CytomX will maintain complete and accurate records of all work conducted in the performance of the Preclinical Development Program and all results, data, inventions and developments made in the performance of the Preclinical Development Program. Such records will be in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes. CytomX shall maintain appropriate records sufficient to document the work performed by each of the individuals comprising the FTEs working in support of the Preclinical Development Program and the percent effort such individuals spent working in support of the Preclinical Development Program in the applicable period. CytomX shall provide copies of all requested records and Information (within [***] of such request), to the extent reasonably required for the performance of BMS' rights and obligations under this Agreement; provided that BMS shall maintain such records and the Information of CytomX in confidence in accordance with Article 12 and shall not use such records or information except to the extent otherwise permitted by this Agreement; *further provided* that the Information provided by CytomX shall not include the Tools.

In order to protect the Parties' Patent rights under U.S. law in any inventions conceived or reduced to practice during or as a result of the Preclinical Development Program, each Party agrees to maintain a policy that requires its employees to record and maintain all data and information developed during the Preclinical Development Program in such a manner as to enable the Parties to use such records to establish the earliest date of invention and/or diligence to reduction to practice. At a minimum, the policy shall require such individuals to record all inventions generated by them in standard laboratory notebooks (paper or electronic) or other suitable means that are dated and corroborated by non-inventors on a regular, contemporaneous basis.

3.7 Disclosure of Results of Preclinical Development Program. The results of all work

performed by a Party as part of the Preclinical Development Program shall be promptly disclosed to the other Party in a reasonable manner as such results are obtained through JRC, JRC Co-Chairs, or a working group which may be established by the JRC in accordance with Section 2.1(c). CytomX and BMS will provide reports and analyses at each JRC meeting, and more frequently upon reasonable request by the JRC, detailing the current status of the Preclinical Development Program, including the utilization of the CytomX FTE resources. Within [***] following the end of each calendar quarter, CytomX and BMS shall each exchange and provide to the JRC a written report summarizing in reasonable detail the work performed by it under the Preclinical Development Program and results achieved during the preceding calendar quarter. In addition, upon reasonable request by a Party, the other Party will make presentations to the JRC of its activities related to the Compounds and Products to inform such Party of the details of the work done in the performance of the Preclinical Development Program. The results, reports, analyses and other information regarding the Preclinical Development Program disclosed by one Party to the other Party pursuant hereto may be used only in accordance with the rights granted and other terms and conditions under this Agreement. Upon reasonable request by BMS, for purposes of supporting the Development of a Product, CytomX shall provide BMS with additional data, results and other information with respect to the work performed by CytomX in the performance of the Preclinical Development Program. Any reports required under this Section 3.7 may take the form of and be recorded in minutes of the JRC that will contain copies of any slides relating to the results and presented to the JRC.

In addition, at BMS' request CytomX will transfer (within [***] of such request) to BMS all data, results, and information related to testing and studies of the Compounds (including analytical test results and non-clinical pharmacology and safety data) in the possession of CytomX to the extent such data, results and/or information are necessary or reasonably useful for the continued Development and Commercialization of Products, including any and all Information directly relating to manufacturing methods (including related analytical methods) of the Compounds or Products. CytomX's obligation to provide data, results and information pursuant to this Section 3.7 shall only include results that would be within the CytomX Know-How, and shall not include the Tools.

3.8 Research Efforts. Each Party shall use good faith Diligent Efforts to perform the Preclinical Development Program, including its responsibilities under the Preclinical Plan. For clarity, it is understood and acknowledged that Diligent Efforts to perform the Preclinical Development Program may include staging the work on different Collaboration Targets as specified in and in accordance with the Preclinical Plan.

3.9 Materials Transfer.

(a) In order to facilitate the Preclinical Development Program, either Party may provide to the other Party certain materials (other than samples of Compounds, and starting materials, intermediates and reagents for the synthesis of Compounds, provided by CytomX to BMS under this Agreement) for use by the other Party in furtherance of the Preclinical Development Program and the Development and Commercialization of Compounds and Products. All such materials (including, as applicable, any progeny, expression products, mutants, replicates, derivatives and modifications thereof that are made by the receiving Party and that include the materials of the supplying Party), to the extent such material is not generally available from a Third Party (any such materials provided by BMS, the

"**BMS Materials**"), shall be used by the receiving Party in accordance with the terms and conditions of this Agreement solely for purposes of performing its rights and obligations under this Agreement, and the receiving Party shall not transfer such materials (including, as applicable, any progeny, expression products, mutants, replicates, derivatives and modifications thereof) to any Third Party unless expressly contemplated by this Agreement (including the Preclinical Plan) or upon the written consent of the supplying Party. For clarity, this Section 3.9(a) shall not restrict either Party from using materials that are publicly available from a Third Party. As set forth in the Preclinical Plan, CytomX shall provide BMS with samples of CytomX Materials and BMS shall provide CytomX with samples of BMS Materials, for use by the other Party in accordance with the terms and conditions of this Agreement (including the Preclinical Plan). For clarity, CytomX shall supply sufficient quantities of Compounds for both Parties to perform their responsibilities through the completion of Section 9a of the initial Preclinical Plan set forth on **Exhibit E** for each Product, and thereafter as mutually agreed by the Parties.

Any BMS Materials provided by BMS to CytomX (including, as applicable, any progeny, expression products, mutants, replicates, derivatives and modifications thereof) shall be used by CytomX solely for purposes of conducting the Preclinical Development Program and will be returned to BMS (or destroyed as may be requested by BMS in writing) promptly following the end of the Research Term or earlier upon request by BMS. All Information to the extent directed to such BMS Materials shall be BMS Confidential Information. CytomX agrees to use all such BMS Materials with prudence and appropriate caution in any experimental work, since all of their characteristics may not be known, and BMS Agrees to use all such CytomX Materials with prudence and appropriate caution in any experimental work.

If CytomX develops any assays, that are not Tools, used in the Preclinical Development Program, upon request by BMS, CytomX shall transfer to BMS the CytomX Materials and Information to enable BMS to use such assays in support of BMS' research and development activities under this Agreement. Upon request by BMS, CytomX shall deliver to BMS (at BMS' expense) or dispose of any animals in CytomX's possession following completion of the Research Term or earlier termination of this Agreement by BMS pursuant to Section 13.3(a) or Section 13.5.

(b) Upon request by BMS during the Research Term for a Compound, CytomX shall transfer to BMS, and shall cause its Third Party manufacturers (if applicable) to transfer to BMS, CytomX's inventory of Compounds and Products *provided* that CytomX shall retain that portion of such inventory required by CytomX to fulfill its responsibilities under the Preclinical Plan. Nothing in this Section 3.9 shall modify BMS's obligations of confidentiality under Article 12.

3.10 Subcontracting. Except as provided in the Preclinical Plan or as may be specifically permitted by the JRC, CytomX shall not (sub)contract any of the work for which it is responsible in the performance of the Preclinical Development Program. In the case of any (sub)contracting of Preclinical Development Program activities by a Party to a Third Party, such Third Party must have entered into a written agreement with such Party that includes terms and conditions protecting and limiting use and disclosure of Confidential Information and Know-How at least to the same extent as under this Agreement; *provided* that the term of such Third Party's obligations regarding the use and disclosure of Confidential Information and Know-How may be limited to [***] after the date of disclosure to the Third Party. Each Party is responsible for compliance by such Third Party with the applicable terms and conditions of this Agreement in the same way and to the same extent as such Party.

3.11 Animal Testing. In order to assure the appropriate care and use of animals used in the performance of the Preclinical Development Program by CytomX, CytomX agrees to the following:

(a) If CytomX is AAALAC accredited, it will follow procedures established as the basis of that accreditation. CytomX represents and covenants that it will use all reasonable efforts to maintain such AAALAC accreditation during the Research Term. Further, upon request by BMS, CytomX will provide BMS with a copy of the most recent accreditation letter and annual report. If during the course of the Preclinical Development Program CytomX loses its accreditation or receives any notice, warning or reprimand from AAALAC or any governmental or regulatory agency related to animal care and use, CytomX will promptly notify BMS in writing.

(b) If CytomX is not AAALAC accredited or loses its AAALAC accreditation at any time during the Research Term, it will, prior to the commencement (or continuation) of Preclinical Development Program studies using animals, provide BMS with sufficient documentation in such manner, format and frequency as BMS may require in its sole reasonable discretion, to assure appropriate care and use of animals. Such documentation may include, without limitation, government inspection reports, animal test methods, animal use protocols and any other written descriptions of animal care and use. CytomX will also comply with all Applicable Laws governing animal research.

(c) Whenever possible, live animals used as part of the Preclinical Development Program should remain the property of the applicable contract facility. Upon reasonable advance notice during the Research Term, representatives of BMS shall have the right to inspect the research facilities and to audit the care, treatment and use of the animals used in the Preclinical Development Program. This includes the right to review any correspondence with or reports from governmental agencies or accrediting organizations responsible for animal welfare or quality assurance.

3.12 Technology Transfer to BMS. Without limiting the licenses and other rights and obligations under this Agreement (including the rights granted to BMS under Article 7, and CytomX's obligation to transfer CytomX Manufacturing Technology and Manufacturing Technology Documentation under Article 6), CytomX shall, at no additional charge to BMS, deliver, and cause its Affiliates, to deliver, to BMS within [***] following the Effective Date (and, thereafter during the Research Term, no less frequently than on a quarterly basis) all data, information and reports, in each case within the CytomX Know-How in its possession relating to Compounds, which is reasonably necessary or useful for the Development, manufacture, and/or Commercialization of Compound or Product. In addition, CytomX shall promptly disclose to BMS' Patent Contact any new CytomX inventions that embody any Product Specific Patents. CytomX shall, upon reasonable request by BMS during the Term, provide BMS with copies, and permit inspection by BMS of, its raw data and information for purposes of supporting or maintaining the Regulatory Approval for Product. CytomX shall at no cost to BMS, provide reasonable consultation and assistance for the purpose of transferring to BMS such CytomX Know-How to the extent reasonably necessary or useful for BMS to Develop and Commercialize Compound or Product in the Field.

3.13 Use of Third Parties. BMS may retain Third Parties to perform Development activities subject to the terms of this Agreement. Any such Third Parties performing Development activities hereunder shall be subject to confidentiality and non-use obligations consistent with those set forth in this

Agreement; *provided* that the term of such Third Party's obligations regarding confidentiality and non-use may be limited to [***] after the date of disclosure to the Third Party. BMS shall remain responsible and liable for the performance by its Affiliates or permitted Third Party contractors of those of its obligations under this Agreement that it (sub)licenses or delegates to an Affiliate or Third Party contractor.

3.14 Inspection of CytomX Records. Upon reasonable prior notice, CytomX shall permit an independent nationally recognized certified public accounting firm (subject to obligations of confidentiality to CytomX), appointed by BMS and reasonably acceptable to CytomX, to inspect the applicable records of CytomX to verify the Preclinical Development Program Costs (including the level of FTE effort); *provided* that such inspection shall not occur more often than once per Calendar Year, unless a material error is discovered as part of such inspection in which case BMS shall have the right to conduct a more thorough inspection for such period. Any inspection conducted under this Section 3.18 shall be at the expense of BMS. Any overpayment by BMS to CytomX shall be credited against future amounts due by BMS to CytomX. Any underpayment by BMS shall be paid in the next quarterly reimbursement to CytomX or within forty-five (45) days, whichever is later.

4. DEVELOPMENT AND REGULATORY MATTERS

4.1 Development.

(a) **Development Responsibilities.** Except for CytomX' responsibilities in the conduct of the Preclinical Development Program, BMS shall have the sole right and responsibility for the Development of Compounds and Products in the Field in the Territory during the Term at its own cost and expense (including responsibility for all funding, resourcing and decision-making), including whether to advance Compounds into Development and to terminate this Agreement with respect to a Collaboration Target. BMS, by itself or through its Affiliates and Sublicensees, shall use Diligent Efforts to Develop and obtain Regulatory Approval for at least one Compound or Product in the Field for each Collaboration Target in accordance with a development plan for the purpose of obtaining a Regulatory Approval in the Major Markets.

(b) **Development Records**. BMS shall prepare and maintain and shall cause its Affiliates and Sublicensees to prepare and maintain reasonably complete and accurate records regarding the Development of Compounds and Products in the Field in the Territory.

(c) **Development Reports by BMS**. On a [***] basis, BMS shall provide to CytomX a summary report regarding the status of Development efforts for Compounds and Products on a Collaboration Target-by-Collaboration Target basis. Such report shall contain sufficient detail to enable CytomX to assess BMS's compliance with its Development obligations in this Section 4.1. Such reports shall be Confidential Information of BMS pursuant to Article 12.

4.2 Regulatory Matters for Product. BMS shall have sole responsibility and decision-making authority with respect to regulatory matters for Compounds and/or Products (including the content of any regulatory filing or dossier, pharmacovigilance reporting, labeling, safety, and the decision to file or withdraw any MAA or to cease or suspend any Clinical Trial). BMS shall have sole responsibility for preparing and submitting all Regulatory Materials for Products in the Field in the

Territory, including preparing, submitting and holding all INDs and MAAs for Products. CytomX shall reasonably cooperate with BMS and provide to BMS all Information Controlled by CytomX, in each case as may be reasonably requested by BMS, in order to prepare or support any Regulatory Materials for Products in the Field in the Territory and interactions with any Regulatory Authority in connection with Development and/or Regulatory Approval of Products. BMS will own all Regulatory Materials for Products and all such Regulatory Materials shall be submitted in the name of BMS (or its Affiliate or Sublicensee, as applicable). For clarity, nothing in this Section 4.2 shall be deemed to transfer ownership of any Information provided by CytomX to BMS for use in preparing and submitting such Regulatory Materials.

4.3 Notice of Regulatory Action. If any Regulatory Authority takes or gives notice of its intent to take any regulatory action with respect to any activity of CytomX related to the Preclinical Development Program or otherwise directed to Compounds or Products, then CytomX shall promptly notify BMS through the JRC, or Alliance Manager after Research Term, of such contact, inspection or notice or action. To the extent applicable, CytomX shall be responsible for preparing draft responses to any such regulatory action and to provide such draft responses to BMS through the JRC or Alliance Manager after Research Term. The JRC (and BMS) shall review and comment on any such responses to Regulatory Authorities that pertain to the Compounds and/or Products; *provided* that BMS shall have the final decision making authority with respect to such responses to the extent relating to the Compounds and/or Products.

4.4 No Use of Debarred Person. During the Term, each Party agrees that it will not use any employee or consultant that is debarred by any Regulatory Authority or, to the best of such Party's knowledge, is the subject of debarment proceedings by any Regulatory Authority. If either Party learns that any employee or consultant performing on its behalf under this Agreement has been debarred by any Regulatory Authority, or has become the subject of debarment proceedings by any Regulatory Authority, such Party will promptly notify the other Party and will prohibit such employee or consultant from performing on its behalf under this Agreement.

4.5 Standards of Conduct. BMS shall perform, and shall use reasonable efforts to ensure that its Affiliates, Sublicensees and Third Party contractors perform, its Development activities with respect to the Product in good scientific manner, and in compliance in all material respects with the requirements of Applicable Law.

5. COMMERCIALIZATION

5.1 Commercialization of Products. BMS shall have the sole right and responsibility for the Commercialization of Products in the Field in the Territory at its cost and expense. BMS will use Diligent Efforts to Commercialize each Product in the Major Markets for which BMS receives Regulatory Approval for such Product.

5.2 Commercialization Report. For each Calendar Year following Regulatory Approval for a Product in a Major Market, BMS shall provide to CytomX semi-annually a written report that summarizes the Commercialization activities on a Collaboration Target-by-Collaboration Target basis performed by BMS, and its Affiliates and Sublicensees in the Major Markets since the prior report by

BMS. Such report shall contain sufficient detail to enable CytomX to assess BMS's compliance with its Commercialization obligations in Section 5.1. Such reports shall be Confidential Information of BMS pursuant to Article 12.

5.3 Decision-Making Authority. BMS shall have the sole decision-making authority for the operations and Commercialization strategies and decisions, including funding and resourcing, related to the Commercialization of Products.

6. MANUFACTURING

6.1 Overview. BMS will have the exclusive right and shall be solely responsible for the manufacture (including having a Third Party manufacture on its behalf) of all Compounds and Products (including all such manufacturing for use in Clinical Trials and for commercial sale), including all activities related to developing the process, analytics and formulation for the manufacture of clinical and commercial quantities of Compounds and/or Product, the production, manufacture, processing, filling, finishing, packaging, labeling, inspection, receiving, holding and shipping of Compounds and/or Products, or any raw materials or packaging materials with respect thereto, or any intermediate of any of the foregoing, including process and cost optimization, process qualification and validation, commercial manufacture, stability, in-process and release testing, quality assurance and quality control.

6.2 Transfer of Manufacturing Technology. Upon request by BMS during the Research Term and for a period of [***] thereafter for purposes of establishing manufacturing capability for Compound and/or Product, CytomX shall transfer to BMS (or to a Third Party manufacturer designated by BMS in accordance with Section 6.3), the CytomX Manufacturing Technology, in order to enable BMS (or its Third Party manufacturer) to use the CytomX Manufacturing Technology for the sole purposes of the manufacture of the Compounds and/or Products and to replicate the processes employed by or on behalf of CytomX (including any Third Party manufacturer of CytomX). Such transfer shall include a written description of such CytomX Manufacturing Technology (the "**Manufacturing Technology Documentation**"). As applicable, if requested by BMS, CytomX shall (and will use Diligent Efforts to ensure that any CytomX Third Party manufacturer will) cooperate with and provide reasonable technical assistance (including on-site assistance) and consultation, at a reasonable consulting rate CytomX, [***] as reasonably requested by BMS in connection with the transfer and the implementation of such CytomX Manufacturing Technology by BMS or its Third Party manufacturer, and to enable BMS or its Third Party manufacturer to use such CytomX Manufacturing Technology to manufacture Compounds and/or Products and to obtain Regulatory Approval for (including the CMC, DMF or other regulatory filings relating thereto) the process for the manufacture of Compounds and/or Products. All such Manufacturing Technology Documentation shall be in the English language, and in sufficient detail and clarity for BMS or its Third Party manufacturer to understand and use the manufacturing processes disclosed thereunder. If available in electronic form, the Manufacturing Technology Documentation shall be provided in electronic format.

6.3 Third Party Manufacturing. BMS may exercise any of its manufacturing rights with respect to Compounds and Products through one or more Third Party manufacturers, *provided* that the Third Party manufacturer undertakes in writing obligations of confidentiality and non-use regarding Confidential Information of CytomX (including CytomX Know-How received by such Third Party

manufacturer under Section 6.2 above) that are substantially the same as (although may be shorter in duration than, *provided* that such duration shall not be less than [***] from the effective date of the written obligation) those undertaken by the Parties pursuant to Article 12 hereof.

6.4 Improvements in the Manufacture of Compounds. During the Term, CytomX shall disclose to BMS through the JRC (or if the JRC is not constituted, through the Alliance Managers) any improvements made or developed with respect to the manufacture of Compounds within the CytomX Know-How, and methods and materials used in the manufacture of Compounds (including starting materials for the synthesis of Compounds) Controlled by CytomX ("**Improvements**"). Upon request by BMS, CytomX will provide BMS with the CytomX Know-How in CytomX's or its Affiliate's Control that are necessary or reasonably useful for BMS or its Third Party manufacturer to use such Improvements in the manufacture of Compounds.

7. GRANT OF RIGHTS AND LICENSES

7.1 License to BMS.

(a) Subject to the terms and conditions of this Agreement, CytomX hereby grants to BMS an exclusive (even as to CytomX) license, with the right to grant sublicenses as provided in Section 7.2, under the Product Specific Patents to research, develop, make, have made, use, sell, offer for sale, export and import (including the exclusive right to Develop, have Developed, Commercialize and have Commercialized) Compounds, alone or as incorporated in Products in the Territory (including, for clarity, the Masks and Antibodies set forth on Schedule 1.30, or any Compounds comprising such materials); *provided* that BMS covenants to CytomX that BMS, and its Affiliates and Sublicensees, shall only practice under such exclusive license in the Field in the Territory.

(b) Subject to the terms and conditions of this Agreement, CytomX hereby grants to BMS an exclusive (even as to CytomX) license, with the right to grant sublicenses as provided in Section 7.2, under the CytomX Technology to research, develop, make, have made, use, sell, offer for sale, export and import (including the exclusive right to Develop, have Developed, Commercialize and have Commercialized) Compounds, alone or as incorporated in Products, in the Field in the Territory.

(c) BMS (working alone or in collaboration with Third Parties) shall have the right to use the Compounds and CytomX Information related to such Compounds and the Collaboration Targets for research purposes in support of BMS' research programs on the Collaboration Targets, *provided* that any such Third Party shall be bound by obligations with respect to the use and disclosure of CytomX Confidential Information in accordance with Article 12.

(d) BMS's rights under this Section 7.1 include the right to modify Compounds, provided no substantive changes shall be made to Mask or Substrate of such Compound other than modifications to Mask or Substrate made in the course of optimizing a Compound or a Product, and provided that BMS may make any changes to the Antibody portion of the Compound.

7.2 Sublicensing by BMS. BMS shall have the right to sublicense any or all of the development or commercialization rights granted to it by CytomX under this Agreement. In connection

with any such sublicensing, BMS may disclose and provide to such permitted Sublicensees any applicable CytomX Know-How and CytomX Materials in connection therewith. BMS shall ensure that each of its Sublicensees is bound by a written agreement that is consistent with, and subject to the terms and conditions of, this Agreement. In addition, BMS shall be responsible for the performance of any of its Sublicensees that are exercising rights under a sublicense of the rights granted by CytomX to BMS under this Agreement, and the grant of any such sublicense shall not relieve BMS of its obligations under this Agreement, except to the extent they are satisfactorily performed by any such Sublicensee(s). No later than five (5) Business Days following the execution of each sublicense to a Third Party as provided in this Section 7.2, BMS shall provide CytomX with a copy of such sublicense agreement; provided that the financial terms of any such sublicense agreement may be redacted.

7.3 Licenses to CytomX.

(a) Grant Back. Subject to the terms and conditions of this Agreement, BMS hereby grants back to CytomX a non-exclusive, non-sublicensable, royalty-free license under the CytomX Technology and Product Specific Patents licensed pursuant to Section 7.1 solely to conduct the Preclinical Development Program, and not for any other purpose.

(b) Research License. Subject to the terms and conditions of this Agreement, BMS hereby grants back to CytomX a limited, non-exclusive, non-sublicensable, royalty-free license BMS intellectual property rights covering the BMS Information or Materials provided to CytomX and any Sole Inventions owned by BMS, solely to conduct the Preclinical Development Program, and not for any other purpose.

(c) Grant to Probody-Specific Improvements. Subject to the terms and conditions of this Agreement, BMS hereby grants to CytomX a non-exclusive, sublicensable, royalty-free license under the Sole Inventions owned by BMS to the extent such Sole Inventions owned by BMS (a) pertain to modifications to any Substrates or Masks, or (b) are primarily for use with, and generally applicable to, Probodies.

7.4 No Other Rights. Except for the rights expressly granted under this Agreement, no right, title, or interest of any nature whatsoever is granted whether by implication, estoppel, reliance, or otherwise, by a Party to the other Party. All rights with respect to Information, Patent or other intellectual property rights that are not specifically granted herein are reserved to the owner thereof. Without limiting the foregoing, nothing herein shall be deemed to grant to BMS a right or license to any active pharmaceutical ingredient other than the Compounds and any related Masks and Substrates. For clarity, no rights to any technology or intellectual property [***] are granted to BMS under this Agreement.

7.5 Public Domain Information. Nothing in this Agreement shall prevent BMS or its Affiliates from using for any purpose any Know-How or other Confidential Information that is in the public domain.

7.6 Certain Rights and Obligations Under the Existing License Agreements. Notwithstanding any other provision of this Agreement, the following provisions shall apply.

(a) In the event of any purported or actual breach (or threatened termination) of any Existing License Agreement, CytomX shall give notice to BMS of such breach or termination. Without limiting any other right or remedy of BMS under this Agreement and in order to prevent, ameliorate, mitigate or cure a breach of any of the Existing License Agreements, in the event that CytomX fails to perform any of its obligations under any of such Existing License Agreements (except to the extent that a breach by BMS of its obligations under this Agreement or any other act or omission by BMS prevents such performance by CytomX), which failure is not cured within thirty (30) days after written notice from BMS, BMS may perform such obligation on behalf of CytomX, at CytomX's expense, and CytomX shall reimburse BMS for its costs (including both its out-of-pocket costs and internal costs) in connection with such performance or BMS shall be entitled to credit any such costs against any future payments otherwise owed to CytomX. This Agreement sets forth the obligations of the Parties *inter se*, and nothing in this Agreement (including any standard of effort set forth herein) shall limit or modify the obligations of CytomX under the Existing License Agreements.

(b) To the extent that CytomX is permitted to assert against an Existing Third Party Licensor a claim on behalf of BMS (as CytomX's sublicensee) for specific performance of any covenant of an Existing Third Party Licensor contained in the applicable Existing License Agreement, CytomX shall use reasonable efforts to cooperate with BMS (at BMS' expense) to permit BMS to assert such claim or request for specific performance by such Existing Third Party Licensor, including, if necessary, allowing BMS to bring such claim in the name of CytomX; *provided* that BMS shall give CytomX written notice of any proposed settlement with such Existing Third Party Licensor and a reasonable opportunity to review and comment on such proposed settlement, and BMS shall not enter into any settlement with such Existing Third Party Licensor that could reasonably be viewed as materially adversely affecting the rights of CytomX hereunder or under the applicable Existing License Agreement, without CytomX's prior written consent (such consent not to be unreasonably withheld, delayed or conditioned).

(c) Whenever CytomX provides any report, notice or other communication to an Existing Third Party Licensor relating to Compounds, Products and/or this Agreement in compliance with any of the obligations under the Existing License Agreements, to the extent such communication would adversely affect BMS' rights under the Existing License Agreement, CytomX shall provide a copy of such report or notice to BMS at least ten (10) days prior to the time such report, notice or communication is provided to such Existing Third Party Licensor or, if it is impracticable to provide such copy at least ten (10) days ahead of time, CytomX shall provide such copy to BMS as early as practicable prior to the provision thereof to such Existing Third Party Licensor. CytomX shall have no obligation to disclose to BMS any confidential information of any Third Party or of CytomX contained in any such report, and any information provided by CytomX to BMS may be redacted to remove any such information.

(d) Whenever CytomX receives any report, notice or other communication relating to Compounds, Products and/or this Agreement from an Existing Third Party Licensor with respect to the applicable Existing License Agreement and which report, notice or other communication would have a material adverse effect on this Agreement (including any notice with respect to any default, breach or

termination of the Existing License Agreement), CytomX shall promptly provide a copy of such report, notice or other communication to BMS. CytomX shall have no obligation to disclose to BMS any confidential information of any Third Party (other than the Existing Third Party Licensor) contained in any such report, notice or other communication and any information provided by CytomX to BMS may be redacted to remove any such information.

(e) CytomX shall, if reasonably requested by BMS, take commercially reasonable efforts to exercise any of CytomX's rights, or to enforce any material obligation of an Existing Third Party Licensor, at CytomX's expense, under the applicable Existing License Agreement, in each case as it relates to a Compound and/or Product.

(f) CytomX shall not agree or consent to any amendment, supplement or other modification to the Existing License Agreement, in each case in a manner that could reasonably be viewed as materially adversely affecting the rights sublicensed to BMS under this Agreement, without BMS' prior written consent (such consent not to be unreasonably withheld, delayed or conditioned).

(g) CytomX shall not terminate, and shall use reasonable efforts to not take or fail to take any action that would permit the Existing Third Party Licensor to terminate, any Existing License Agreement (either unilaterally or by mutual agreement with the applicable Existing Third Party Licensor), or any right thereunder which would have an adverse effect on the rights sublicensed to BMS under this Agreement, without the prior written consent of BMS, which consent may be given or withheld in BMS' sole discretion, in each case as it relates to or impacts the rights sublicensed to BMS under this Agreement.

(h) Except to the extent permitted under Section 17.9, CytomX shall not during the Term grant any Lien (or permit any Lien to attach) with respect to this Agreement or any of the Product Specific Patent Rights, that could adversely impact BMS' rights thereunder. For sake of clarity, any breach of this sub-Section by CytomX that is not cured within ten (10) Business Days after written notice thereof shall be deemed a material breach of this Agreement., provided that it shall not be deemed a breach of this Agreement for CytomX to grant a Lien under which the lienholder takes a Lien subject to the licenses granted hereunder.

8. PAYMENTS

8.1 Upfront Payment and Equity Investment.

(a) BMS shall pay CytomX a signing payment of fifty million Dollars ($50,000,000) within [***] after the Effective Date. Such payment shall be noncreditable and nonrefundable.

(b) Subject to, and contingent upon, compliance by CytomX with all applicable securities laws, rules, and regulations, and the approval by the lead underwriter of BMS' participation, and, subject to the limitations set forth in this Section 8.1(b), the number of shares to be allocated to BMS in any initial public offering of CytomX common stock to be outstanding immediately following the closing of the CytomX IPO. CytomX shall furnish to BMS for its prior review and comment copies of

those portions of all documents proposed to be filed by or on behalf of CytomX with any Governmental Authority in connection with any CytomX IPO that refer to BMS or its participation in the IPO (or in any purchase of BMS Shares in connection with such IPO), and CytomX will not file or otherwise provide to any Governmental Authority or any other Person in connection with a CytomX IPO any document which references this Agreement or BMS' obligation to purchase or its purchase of shares pursuant to this Section 8.1(b) without complying with Section 12.2 above. If following the good faith, written opinion of CytomX' legal counsel, BMS' participation in the IPO may violate applicable securities laws, then upon notification by CytomX, BMS shall, in lieu of participating in the IPO, purchase all of the BMS Shares in a private placement concurrently with the closing of the IPO at the same price per share as the IPO price per share.

8.2 Additional Target Payments. If BMS elects to designate an Additional Target, BMS shall pay to CytomX a payment of ten million Dollars ($10,000,000) for the first such Additional Target and fifteen million Dollars ($15,000,000) for the second such Additional Target (each, an "**Additional Target Payment")**. For clarity, no additional payments including Additional Target Payment shall be payable where BMS elects to designate a Substitute Target. Each Additional Target Payment shall be payable within the earlier of: (i) [***] following the date that a revised Preclinical Plan is finalized and approved by the JRC to include the work on the applicable Additional Collaboration Target and (ii) [***] following the date that BMS is notified in writing in accordance with Section 3.3(d) above that the applicable Additional Collaboration Target is not an Excluded Target.

8.3 Development Milestone Payments for Compounds or Products.

(a) BMS shall pay to CytomX the milestone payments set forth in Table 1 for each Collaboration Target within [***] after the first achievement of the specified milestone event by BMS, its Sublicensees or their Affiliates for a Compound or Product directed to a given Collaboration Target, *provided* that (i) the payment amounts set forth in Table 1 shall only apply to the first Compound or Product for a given Collaboration Target to reach the milestone event, provided that subsequent milestone events that were not achieved by the first Product for such Collaboration Target may be met by another Compound or Product for the same Collaboration Target, and (ii) the payment amounts set forth in Table 1 shall be subject to Section 8.3(b). Such payments shall be noncreditable (except as set forth in Section 8.3(b) below) and nonrefundable. BMS shall provide written notice to CytomX within [***] after the first achievement of the specified milestone event by BMS or its Affiliates and within twenty (20) Business Days after the first achievement of the specified milestone event by its Sublicensees or their Affiliates.

Table 1

	Event	1st Indication	2nd Indication	3rd Indication
1	ECN designation by BMS	$ 2,000,000	N/A	N/A
2	IND Filing	[***]	[***]	[***]
3	Dose 1st Patient in a 1st Phase 2 Clinical Trial	[***]	[***]	[***]
4	Dose 1st Patient in a 1st Phase 3 Clinical Trial	[***]	[***]	[***]
5	BLA Filing in [***]	[***]	[***]	[***]
6	MAA Filing	[***]	[***]	[***]
7	BLA Filing in [***]	[***]	[***]	[***]
8	First Commercial Sale in [***]	[***]	[***]	[***]
9	First Commercial Sale in [***]	[***]	[***]	[***]
10	First Commercial Sale in [***]	[***]	[***]	[***]
	Total	[***]	[***]	[***]

(b) The milestone payments set forth above shall be payable by BMS to CytomX for a given Collaboration Target upon the first achievement of the milestone event for the first Compound or Product for such Collaboration Target to achieve such milestone event, provided that subsequent milestone events that were not achieved by the first Compound or Product for such Collaboration Target could be met by another Compound or Product for the same Collaboration Target. If a milestone becomes due with respect to a Product for a specific Collaboration Target and Indication before an earlier listed Development milestone (i.e., milestones 1 through 4 in the above Table 1) became due for such Indication for any reason, then the earlier listed milestones for such Indication shall be payable upon achievement of the later listed milestone. For example, if Milestone 4 becomes due prior to the payment of Milestone 3, then upon achievement of Milestone 4, both the [***] Milestone 4 and the [***] Milestone 3 would be payable. For clarity, if any of Milestones 5-10 is achieved before any of Milestones 1-4, then each Milestones 1-4 (to the extent not previously paid by BMS) would be payable on achievement of the Milestone 5-10. Milestone payments for second (2nd) and third (3rd) Indications with respect to a given Product would be deferred until the achievement of First Commercial Sale (in the applicable territory) for the 1st Indication with respect to such Product. In addition, if Development is discontinued for a Product for a given Collaboration Target before First Commercial Sale is obtained for that Product, the previously paid milestone payments for that Product will be applied and credited toward the milestone payments for the next Product for that Collaboration Target in Development. Once First Commercial Sale is obtained for a Product for a given Collaboration Target, any deferred milestone payments for such Collaboration Target still continuing in Development will be due.

(c) The term "**Indication**" as used herein means, with respect to a Compound or Product, the use of that Compound or Product for the treatment, prevention, mitigation or cure of: (i) any cancer with a particular organ of origin, histology or genetic subtype; or (ii) any disease that is not a cancer but requires a separate clinical development program to achieve Regulatory Approval. Different lines of therapy for the same tumor type (e.g., 1st line NSCLC and 2nd line NSCLC) shall not be deemed different Indications.

8.4 Sales Milestone Payments.

(a) A milestone payment of [***] shall be payable when the total Net Sales within a given Calendar Year of a Product in the Territory by BMS, its Affiliates and Sublicensees first reaches more than one billion Dollars ($1,000,000,000).

(b) A milestone payment of [***] shall be payable when the total Net Sales within a given Calendar Year period of a Product in the Territory by BMS, its Affiliates and Sublicensees first reaches more than two billion Dollars ($2,000,000,000).

(c) A milestone payment of [***] shall be payable when the total Net Sales within a given Calendar Year period of a Product in the Territory by BMS, its Affiliates and Sublicensees first reaches more than three billion Dollars ($3,000,000,000).

(d) The sales based milestones set forth in clauses (a) through (c) above shall be payable one time for a particular Collaboration Target within [***] following the end of the Calendar Year in which the first Product for such Collaboration Target first reaches the Net Sales threshold, but in any event shall not exceed $60 million in the aggregate.

8.5 Royalty Payments to CytomX.

(a) **General**. Subject to the other provisions of this Article 8 and other provisions of this Agreement, in consideration of the licenses granted by CytomX to BMS hereunder to the CytomX Technology and Product Specific Patents, BMS shall pay to CytomX royalties based on the Net Sales of each Product during the applicable Royalty Term for such Product. The royalty payable with respect to each particular Product shall be based on the level of total annual Net Sales of such Product in the Territory in a given Calendar Year period by BMS, its Affiliates and Sublicensees, with the royalty rate tiered based upon the level of such total annual Net Sales of such Product in the Territory in such Calendar Year period. Royalties shall be calculated by multiplying the applicable royalty rates by the corresponding amount of the portion of Net Sales of the applicable Product within each of the Net Sales tiers during such Calendar Year as set forth below.

(b) **Royalty on Products.** BMS will pay to CytomX a royalty on Net Sales of Products, on a Product-by-Product basis, by BMS, its Affiliates and Sublicensees in the Territory in the Field based on the Net Sales tiers and royalty rates as set forth in the table below (the "**Base Royalty Rate**") (subject to any offsets or reductions set forth below in this Section 8.5).

Table 2

Base Royalty Rate	Portion of Total Annual Net Sales in the Territory (Determined Separately for Each Product)
[***]%	[***]
[***]%	[***]
[***]%	[***]
[***]%	[***]
[***]%	[***]
[***]%	[***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

For clarity, the Net Sales thresholds in the table above shall be determined on a Product-by-Product basis. [***]

Notwithstanding the foregoing, subject to the last sentence of clause 8.5(f) below, in each country where there is no Valid Claim of the Product Specific Patents or CytomX Patent Rights that would be infringed by the sale of such Product in such country absent a license with respect to such Product Specific Patents or CytomX Patent Right under this Agreement, then the Base Royalty Rate (subject to any offsets or reductions set forth below in this Section 8.5) as applied to the sale of such Product in each such country shall be reduced by [***] (i.e., the Base Royalty Rate shall be [***] the rates set forth above in Table 2 above).

(c) **Third Party Payments.**

(i) CytomX shall bear all Third Party license payments, milestones, royalties and other payments owed with respect to a Compound and/or Product (including payments with respect to methods of making, using, selling, and/or identifying such Compounds and Products) involving (A) intellectual property (including Patents) that is licensed or otherwise acquired by CytomX as of the Effective Date or within [***] subsequent to the Effective Date (including, any payment obligations of CytomX under the Existing License Agreements) and/or (B) intellectual property for which CytomX received written notice of potential infringement from a Third Party prior to the Execution Date and did not disclose same to BMS in writing prior to the Execution Date.

(ii) If, after the date that is [***] subsequent to the Effective Date, CytomX acquires from a Third Party rights to intellectual property ("**Future In-Licensed IP**"), the following shall apply:

(a) [***]

(b) [***]

(iii) Subject to Section 9.9, if BMS, in its good faith judgment, believes that it is necessary to obtain a license from any Third Party under any Patent in order to Develop, manufacture or Commercialize any Compound or Product, and such Third Party licenses would not be necessary but for such Compound(s) or Product(s) being a Probody (including, by way of example, any additional manufacturing processes that are necessary due to such Compound(s) or Product(s) being a Probody),

BMS' royalty obligations set forth above shall be reduced by [***] of the amount of the payments made by BMS to such Third Party on account of such license, *provided* that the royalties paid shall not be reduced in any such event below [***] of the amount that would otherwise be due pursuant to Section 8.3(b) with respect to any calendar quarter. If, but for the proviso in the preceding sentence, the deduction under this Section 8.3(c)(iii) would have reduced a royalty payment made by BMS by more than [***], then the amount of such deduction that exceeds [***] will be carried over to subsequent royalty payments until the full amount that BMS would have been entitled to deduct (absent the above limitation) is deducted.

(d) **Biosimilar Competition.** During the portion of the applicable Royalty Term in a particular country where there are one or more products being sold in such country that are Biosimilar Products with respect to such Product, then the Base Royalty Rates set forth in Section 8.5(b), as adjusted by Section 8.5(c)(ii), with respect to such Product shall be reduced as follows:

(i) by [***], in the event that in any calendar quarter such Biosimilar Product(s), by unit equivalent volume in such country, exceed a [***] share of the market;

(ii) by [***], in the event that in any calendar quarter such Biosimilar Product(s), by unit equivalent volume in such country, exceed a [***] share of the market; and

(iii) by [***] in the event that in any calendar quarter such Biosimilar Product(s), by unit equivalent volume in such country, exceed a [***] share of the market.

For purposes of this Section 8.5(d), "market" refers to the aggregate of the sales of the Biosimilar Product(s) and the applicable Product in a country.

(e) **One Royalty.** For clarity, only one royalty shall be due to CytomX with respect to the same unit of Product.

(f) **Royalty Term.** Royalties payable by BMS to CytomX under Section 8.5 shall be paid on a Product-by-Product and country-by-country basis until the later of (i) twelve (12) years after First Commercial Sale of the applicable Product in such country, (ii) expiration in such country of the last Valid Claim of the last-to-expire Product Specific Patent or CytomX Patent Right that would be infringed by the sale of such Product in such country absent a license with respect to such Product Specific Patents or CytomX Patent Right under this Agreement, or (iii) expiration of any applicable regulatory, pediatric, orphan drug or data exclusivity with respect to such Product (the "**Royalty Term**"). For clarity, BMS shall not owe royalties on Products sold in a country after expiration of the Royalty Term for such Product in such country. Upon the expiration of the Royalty Term with respect to a Product in a country, BMS shall have a fully-paid-up perpetual license under Section 7.1 for the making, using, selling, offering for sale and importing of such Product in such country. Notwithstanding the foregoing, if any BMS Patent Covers a Probody incorporating a Mask or Substrate that was modified pursuant to the Preclinical Plan or BMS' rights under Section 7.1(d), then, for the purpose of the last paragraph of Section 8.5(b) and the calculation of the Royalty Term under this Section 8.5(f), such BMS Patent will be deemed a Product Specific Patent.

(g) **Royalty Floor.** Notwithstanding the foregoing, in no event shall the royalties payable to CytomX during the Royalty Term be reduced to less than two percent (2.0%) by operation of clauses (b), (c) and (d) of this Section 8.5.

8.6 Offset for Payments to Existing Third Party Licensors. In the event that BMS pays or is required to pay any royalties, milestones or other payments to any Existing Third Party Licensor (a) with respect to any Compound or Product that CytomX would otherwise be required to pay under the corresponding Existing License Agreement, or (b) following the termination of the corresponding Existing License Agreement in connection with obtaining rights to CytomX Technology directly from the corresponding Existing Third Party Licensor that were sublicensed to BMS hereunder prior to such termination, then, notwithstanding anything in this Agreement to the contrary, BMS may deduct from any payment owed to CytomX hereunder, after all other applicable reductions, any such payment made by BMS to such Existing Third Party Licensor.

8.7 Royalty Payments and Reports. All amounts payable to CytomX pursuant to Section 8.5 shall be paid in Dollars within [***] after the end of the calendar quarter in which the applicable Net Sales were recorded. Each payment of royalties shall be accompanied by a royalty report providing a statement, on a Product-by-Product and country-by-country basis, of: (a) the amount of Net Sales of Products in the Territory during the applicable calendar quarter, (b) a calculation of the amount of royalty payment due in Dollars on such Net Sales for such calendar quarter, and (c) the amount of withholding taxes, if any, required by Applicable Law to be deducted with respect to such royalties.

8.8 Payment Method. All payments due under this Agreement to CytomX shall be made by bank wire transfer in immediately available funds to an account designated by CytomX. All payments hereunder shall be made in Dollars.

8.9 Taxes. CytomX will pay any and all taxes levied on account of all payments it receives under this Agreement. If laws or regulations require that taxes be withheld with respect to any payments by BMS to CytomX under this Agreement, BMS will: (i) deduct those taxes from the remittable payment, (ii) pay the taxes to the proper taxing authority, and (iii) send evidence of the obligation together with proof of tax payment to CytomX on a timely basis following that tax payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been delivered and paid to CytomX. Each Party agrees to cooperate with the other Party in claiming refunds or exemptions from such deductions or withholdings under any relevant agreement or treaty which is in effect. The Parties shall discuss applicable mechanisms for minimizing such taxes to the extent possible in compliance with Applicable Law. In addition, the Parties shall cooperate in accordance with Applicable Law to minimize indirect taxes (such as value added tax, sales tax, consumption tax and other similar taxes) in connection with this Agreement.

8.10 Royalty on Sublicensee Sales. BMS shall have the responsibility to account for and report sales of any Product by a Sublicensee on the same basis as if such sales were Net Sales by BMS. BMS shall pay to CytomX such Sublicensee amounts when due under this Agreement.

8.11 Foreign Exchange. Conversion of sales recorded in local currencies to Dollars shall be performed in a manner consistent with BMS' normal practices used to prepare its audited financial statements for external reporting purposes.

8.12 Records. BMS shall keep, and shall cause its Affiliates and Sublicensees to keep, complete, true and accurate books of accounts and records sufficient to determine and establish the amounts payable incurred under this Agreement, and compliance with the other terms and conditions of this Agreement. Such books and records shall be kept reasonably accessible and shall be made available for inspection for a [***] in accordance with Section 8.13 below.

8.13 Inspection of BMS Records. Upon reasonable prior notice, BMS shall permit an independent nationally recognized certified public accounting firm (subject to obligations of confidentiality to BMS), appointed by CytomX and reasonably acceptable to BMS, to inspect the audited financial records of BMS to the extent relating to payments to CytomX; *provided that* such inspection shall not occur more often than once per Calendar Year, unless a material error is discovered as part of such inspection in which case CytomX shall have the right to conduct a more thorough inspection for such period. If CytomX, after inspecting the audited financial records of BMS discovers material errors, then BMS shall permit an independent nationally recognized certified public accounting firm (subject to obligations of confidentiality to BMS), appointed by CytomX and reasonably acceptable to the BMS, to inspect the books and records described in Section 8.12; *provided* that such inspection shall not occur more often than once per Calendar Year, unless a material error is discovered in such inspection in which case CytomX shall have the right to conduct an additional audit for such period. Any inspection conducted under this Section 8.13 shall be at the expense of CytomX, unless such inspection reveals any underpayment of the royalties due hereunder for the audited period by at least [***], in which case the full costs of such inspection for such period shall be borne by BMS. Any underpayment shall be paid by BMS to CytomX within [***] with interest on the underpayment at the rate specified in Section 8.14 from the date such payment was originally due, and any overpayment shall be credited against future amounts due by BMS to CytomX.

8.14 Late Payments. Any payments or portions thereof due hereunder that are not paid on the date such payments are due under this Agreement shall bear interest at a rate equal to the lesser of: (a) [***] or (b) the maximum rate permitted by Applicable Law; in each case calculated on the number of days such payment is delinquent, compounded monthly.

8.15 Payments to or Reports by Affiliates. Any payment required under any provision of this Agreement to be made to either Party or any report required to be made by any Party shall be made to or by an Affiliate of that Party if designated in writing by that Party as the appropriate recipient or reporting entity.

9. PATENT PROSECUTION AND ENFORCEMENT

9.1 Ownership of Information and Inventions. Each Party will own all inventions (and Patents that claim such inventions) solely invented by or on behalf of it and/or its Affiliates and/or their respective employees, agents and independent contractors in the course of conducting its activities under this Agreement (collectively, "**Sole Inventions**"). All inventions invented jointly by employees, Affiliates, agents, or independent contractors of each Party in the course of conducting its activities under this Agreement (collectively, "**Joint Inventions**") and Joint Patents will be owned jointly by the Parties.

Subject to a Party's obligations under applicable terms of this Agreement (e.g., licenses granted hereunder, confidentiality obligations, etc.) with respect to same, any Information generated during or resulting from a Party's activities under this Agreement may be used by such Party for any purpose. This Agreement will be understood to be a joint research agreement under 35 U.S.C. §103(c)(3) entered into for the purpose of researching, identifying and developing Compounds and Products under the terms set forth herein. Subject to the rights and licenses granted under this Agreement, it is understood that neither Party shall have any obligation to account to the other Party for profits, or to obtain any approval of the other Party to license, assign or otherwise exploit such Joint Inventions, by reason of joint ownership thereof, and each Party hereby waives any right it may have under the Applicable Law of any jurisdiction to require any such approval or accounting.

9.2 Prosecution of Product Specific Patents.

(a) BMS will have the first right, but not the obligation, to draft, file, prosecute and maintain (including any oppositions, interferences, reissue proceedings, reexaminations and post-grant proceedings) in all jurisdictions in the Territory the Product Specific Patents (such activities with respect to Patents being the "**Prosecution**", with the term "**Prosecute**" having the corresponding meaning). Such Prosecution of the Product Specific Patents shall be handled by outside counsel mutually agreed upon by the Parties that will jointly represent the Parties (the "**Patent Firm**"). Subject to Section 9.2(b) and (c), BMS shall bear one hundred percent (100%) of the Patent Prosecution Costs for the Product Specific Patents, and shall have lead responsibility and decision-making control for such Prosecution of the Product Specific Patents. For clarity, each Party will bear its own internal costs (i.e., those costs that are not Patent Prosecution Costs) with respect to its Prosecution activities for the Product Specific Patents.

(b) The Parties will cooperate in the Prosecution of the Product Specific Patents in all respects. BMS will keep CytomX fully informed of the Prosecution of the Product Specific Patents. CytomX will provide BMS all reasonable assistance and cooperation in its Prosecution efforts with respect to the Product Specific Patents, including providing any necessary powers of attorney and executing any other required documents or instruments for such Prosecution, as necessary to Prosecute the Product Specific Patents. BMS will provide CytomX with copies of any documents it receives or prepares in connection with such Prosecution, to enable CytomX to comment on it, and BMS will reasonably incorporate any of CytomX's comments in its BMS's filings or responses.

(c) In the event that BMS elects not to Prosecute in any country any Patent within the Product Specific Patents, BMS will give CytomX at least [***] notice before any relevant deadline and provide to CytomX information it reasonably requests relating to the Product Specific Patent. CytomX will then have the right to assume responsibility, using patent counsel of its choice, for the Prosecution of such Product Specific Patent. If CytomX assumes responsibility for the Prosecution for any such Product Specific Patents as set forth above, then the Patent Prosecution Costs incurred by CytomX in the course of such Prosecution will thereafter be borne by CytomX, and such Product Specific Patent shall thereafter be deemed to be an Other CytomX Patent and BMS' license rights with respect to such Product Specific Patent (and any continuation or divisional thereof) under Section 7.1 shall become nonexclusive. The Parties will cooperate in such Prosecution in all respects. Each Party will provide the other Party all reasonable assistance and cooperation in such Prosecution efforts, including providing any necessary powers of attorney and executing any other required documents or instruments for such

Prosecution. Each Party will provide the other Party with copies of any documents it receives or prepares in connection with such Prosecution and will inform the other Party of the progress of it. Before filing in connection with such Prosecution any document with a patent office, each Party will provide a copy of the document to the other Party sufficiently in advance to enable the other Party to comment on it, and the first Party will give due consideration to such comments.

(d) **Patent Term Extensions.** The Parties will confer regarding the desirability of seeking in any country any patent term extension, supplemental patent protection or related extension of rights with respect to the Product Specific Patents. BMS shall have the sole right, but not the obligation, to apply for any such extension or protection. Neither Party will proceed with such an extension until the Parties have consulted with one another and agreed to a strategy therefor, [***]; *provided further* that such decision will be made in accordance with Applicable Law so as to maximize marketing exclusivity for the Product in the Field. [***] Each Party will cooperate fully with and provide all reasonable assistance to the other Party and use all commercially reasonable efforts consistent with its obligations under Applicable Law (including any applicable consent order or decree) in connection with obtaining any such extensions for the Product Specific Patents consistent with such strategy. To the extent reasonably and legally required in order to obtain any such extension in a particular country, each Party will make available to the other a copy of the necessary documentation to enable such other Party to use the same for the purpose of obtaining the extension in such country. If BMS seeks a patent term extension, supplemental patent protection or related extension of rights with respect to any BMS Patent covering a Product, then for the purpose of calculating the Royalty Term, the last-to-expire Patent among the CytomX Patent Rights or Product Specific Patent will be deemed to be extended by the same amount of time as the BMS Patent.

9.3 Data Exclusivity. As applicable, BMS will have the sole right and authority for securing, maintaining and enforcing exclusivity rights that may be available under Applicable Law in a country for a Product, such as any data, market, pediatric, orphan drug or other regulatory exclusivity periods. CytomX will cooperate fully with and provide all reasonable assistance to BMS and use all commercially reasonable efforts consistent with its obligations under Applicable Law (including any applicable consent order or decree) to seek, maintain and enforce all data exclusivity periods available for the Products.

9.4 Prosecution of Other Patents

(a) **Joint Patents That Are Not CytomX Patent Rights or Product Specific Patents.** This Section 9.4(a) will apply only to Joint Patents that are not CytomX Patent Rights or Product Specific Patents. BMS will have the first right, but not the obligation, to Prosecute in all jurisdictions all Joint Patents that are not CytomX Patent Rights or Product Specific Patents. If BMS determines in its sole discretion to abandon, cease prosecution of or otherwise not file or maintain any such Joint Patent in any jurisdiction, then BMS will provide CytomX written notice of such determination at least thirty (30) days before any deadline for taking action to avoid abandonment (or other loss of rights) and will provide CytomX with the opportunity to prepare, file, prosecute and maintain such Joint Patent in such jurisdiction. The Party that is responsible for Prosecuting a particular Joint Patent (the "**Prosecuting Party**") will provide the other Party reasonable opportunity to review and comment on such prosecution efforts regarding such Joint Patent, and such other Party will provide the Prosecuting

Party reasonable assistance in such efforts. The Prosecuting Party will provide the other Party with a copy of all material communications from any patent authority in the applicable jurisdictions regarding such Joint Patent being prosecuted by such Party, and will provide the other Party drafts of any material filings or responses to be made to such patent authorities a reasonable amount of time in advance of submitting such filings or responses so that such other Party may have an opportunity to review and comment thereon. In particular, each Party agrees to provide the other Party with all information necessary or desirable to enable the other Party to comply with the duty of candor/duty of disclosure requirements of any patent authority. Unless the Parties agree otherwise, each Party will bear its own internal costs and the Patent Prosecution Costs that it incurs with respect to the Prosecution of such Joint Patents that are not CytomX Patent Rights or Product Specific Patents.

(b) **BMS Patents.** BMS will have the sole right and authority with respect to BMS Patents in any jurisdiction, including Prosecution and enforcement. BMS will be responsible for all costs incurred by it (including all Patent Prosecution Costs) in the course of Prosecuting and enforcing such BMS Patents.

(c) **CytomX Patent Rights.** As between the Parties, CytomX will have the sole right and authority, but not the obligation, to Prosecute in all jurisdictions all CytomX Patent Rights other than the Product Specific Patents ("**Other Cytomx Patents**"). CytomX will be responsible for all costs incurred by it (including all Patent Prosecution Costs) in the course of Prosecuting and enforcing such CytomX Patent Rights.

(d) **Tools Patents.** As between the Parties, CytomX will have the sole right and authority with respect to Patents among the Tools in any jurisdiction, including Prosecution and enforcement. CytomX will be responsible for all costs incurred by it (including all Patent Prosecution Costs) in the course of Prosecuting and enforcing such Tool Patents.

9.5 Infringement of Product Specific Patents and CytomX Patent Rights by Third Parties.

(a) Notification. The Parties will promptly notify each other of any actual, threatened, alleged or suspected infringement by a Third Party (an "**Infringement**") of the Product Specific Patents or CytomX Patent Rights with respect to any Third Party products or compounds that are Probodies targeting a Collaboration Target in the Territory. A notice under 42 U.S.C. 262(l) (however such section may be amended from time to time during the Term) with respect to a Product will be deemed to describe an act of Infringement, regardless of its content. As permitted by Applicable Law, each Party will promptly notify the other Party in writing of any such Infringement of which it becomes aware, and will provide evidence in such Party's possession demonstrating such Infringement. In particular, each Party will notify and provide the other Party with copies of any allegations of patent invalidity, unenforceability or non-infringement of any Product Specific Patents or CytomX Patent Rights Covering a Compound or Product (including methods of use or manufacture thereof). Such notification and copies will be provided by the Party receiving such certification to the other Party as soon as practicable and, unless prohibited by Applicable Law, at least within five (5) days after the receiving Party receives such certification. Such notification and copies will be sent by facsimile and overnight courier to BMS at the address set forth below, and to CytomX at the address specified in Section 17.6.

Bristol-Myers Squibb Company
P.O. Box 4000
Route 206 & Province Line Road
Princeton, New Jersey 08543-4000
Attention: Vice President and Chief Intellectual Property Counsel
Telephone: [***]
Facsimile: [***]

(b) Enforcement of Product Specific Patents. BMS will have the first right, but not the obligation, to bring and control, at its expense, an appropriate suit or other action before any government or private tribunal against any person or entity allegedly engaged in any Infringement (an "**Infringement Action**") of any Product Specific Patent to remedy the Infringement (or to settle or otherwise secure the abatement of such Infringement) with respect to any Third Party products or compounds that are Probodies targeting a Collaboration Target in the territory. The foregoing right of BMS shall include the right to perform all actions of a reference product sponsor set forth in 42 USC 262(l). CytomX will have the right, at its own expense and by counsel of its choice, to be represented in any Infringement Action with respect to a Product Specific Patent ("**Product Specific Infringement Action**"). At BMS' request, CytomX will join any Product Specific Infringement Action as a party and will use commercially reasonable efforts to cause any applicable Existing Third Party Licensor to join such Product Specific Infringement Action as a party (all at BMS' expense) if doing so is necessary for the purposes of establishing standing or is otherwise required by Applicable Law to pursue such action. BMS will have a period of [***] after its receipt or delivery of notice and evidence pursuant to Section 9.5(a) to elect to so enforce such Product Specific Patents in the applicable jurisdiction (or to settle or otherwise secure the abatement of such Infringement), *provided*, *however*, that such period will be more than [***] to the extent Applicable Law prevents earlier enforcement of such Product Specific Patents (such as the enforcement process set forth in 42 USC 262(l)) and such period will be less than [***] to the extent that a delay in bringing an action to enforce the applicable Product Specific Patents against such alleged Third Party infringer would limit or compromise the remedies (including monetary and injunctive relief) available against such alleged Third Party infringer. In the event BMS does not so elect (or settle or otherwise secure the abatement of such Infringement) within the aforementioned period of time or [***] before the time limit, if any, for the filing of a Product Specific Infringement Action, whichever is sooner, it will so notify CytomX in writing and in the case where CytomX then desires to commence a suit or take action to enforce the applicable Product Specific Patents with respect to such Infringement in the applicable jurisdiction, the Parties will confer and upon BMS' prior written consent (such consent not to be unreasonably withheld, conditioned or delayed), CytomX will have the right to commence such a suit or take such action to enforce the applicable Product Specific Patents, at CytomX's expense. Each Party will provide to the Party enforcing any such rights under this Section 9.5(b) reasonable assistance in such enforcement, at such enforcing Party's request and expense, including joining such action as a party plaintiff if required by Applicable Law to pursue such action. The enforcing Party will keep the other Party regularly informed of the status and progress of such enforcement efforts, and will reasonably consider the other Party's comments on any such efforts.

(c) Settlement. Without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed), neither Party will settle any Product Specific Infringement Action in any manner that would adversely affect a Product Specific Patent or that would limit or restrict the ability of BMS (or its Affiliates or Sublicensees, as applicable) to sell Products anywhere in the Territory.

(d) Expenses and Recoveries. A Party bringing a Product Specific Infringement Action under this Section 9.5 against any Third Party engaged in Infringement of the Product Specific Patents will be solely responsible for any expenses incurred by such Party as a result of such Product Specific Infringement Action. If such Party recovers monetary damages from such Third Party in such Product Specific Infringement Action, such recovery will first be applied to all out-of-pocket costs and expenses incurred by the Parties in connection therewith, including attorneys' fees. If such recovery is insufficient to cover all such costs and expenses of both Parties, it will be shared pro-rata in proportion to the relative amount of such costs and expenses incurred by each Party. If after such reimbursement any funds remain from such damages, such funds will be shared as follows: [***].

9.6 Enforcement of Joint Patents That Are Not CytomX Patent Rights or Product Specific Patents.

(a) BMS will have the right, but not the obligation, to bring at its expense an appropriate suit or other action against any Third Party allegedly engaged in any Infringement of Joint Patents that are not CytomX Patent Rights or Product Specific Patents. BMS will have a period of [***] after its receipt or delivery of notice of such Infringement to elect to so enforce such Joint Patent (or to settle or otherwise secure the abatement of such Infringement), *provided*, *however*, that such period will be more than [***] to the extent Applicable Law prevents earlier enforcement of such Joint Patents (such as the enforcement process set forth in 42 USC 262(l)) and such period will be less than [***] to the extent that a delay in bringing an action to enforce the applicable Joint Patents against such alleged Third Party infringer would limit or compromise the remedies (including monetary and injunctive relief) available against such alleged Third Party infringer. In the event BMS does not so elect (or settle or otherwise secure the abatement of such Infringement), it will so notify CytomX in writing and in the case where CytomX then desires to commence a suit or take action to enforce the applicable Joint Patents with respect to such infringement, the Parties will confer and CytomX will have the right to commence such a suit or take such action to enforce the applicable Joint Patents, at CytomX's expense, subject to BMS' prior written consent, not to be unreasonably withheld, conditioned or delayed. Each Party will provide to the Party enforcing any such rights under this Section 9.6(a) reasonable assistance in such enforcement, at such enforcing Party's request and expense, including joining such action as a party plaintiff if required by Applicable Law to pursue such action. The enforcing Party will keep the other Party regularly informed of the status and progress of such enforcement efforts, and will reasonably consider the other Party's comments on any such efforts.

(b) Without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed), neither Party will settle any claim, suit or action that it may bring with respect to a Joint Patent that is not a CytomX Patent Right or Product Specific Patent.

(c) A Party bringing a claim, suit or action under Section 9.6(a) against any Third Party engaged in Infringement of any Joint Patent that is not a CytomX Patent Right or Product Specific Patent will be solely responsible for any expenses incurred by such Party as a result of such claim, suit or action. If such Party recovers monetary damages from such Third Party in such suit or action, such

recovery will first be applied to all out-of-pocket costs and expenses incurred by the Parties in connection therewith, including attorneys' fees. If such recovery is insufficient to cover all such costs and expenses of both Parties, it will be shared pro-rata in proportion to the relative amount of such costs and expenses incurred by each Party. If after such reimbursement any funds remain from such damages, such funds will be shared as follows: [***].

9.7 Enforcement of Joint Patents that are CytomX Patent Rights.

(a) CytomX will have the sole right, but not the obligation, to bring at its expense an appropriate suit or other action against any Third Party allegedly engaged in any Infringement of Joint Patents that are CytomX Patent Rights. CytomX will have the sole discretion after its receipt or delivery of notice of such Infringement to elect to so enforce such CytomX Patent Rights (or to settle or otherwise secure the abatement of such Infringement). In the event CytomX does not so elect (or settle or otherwise secure the abatement of such Infringement), it will so notify BMS in writing and in the case where BMS then desires to commence a suit or take action to enforce the applicable Other Cytomx Patents with respect to such Infringement, the Parties will confer, but CytomX will have no obligation to enforce such CytomX Patent Rights. BMS will provide to CytomX reasonable assistance in such enforcement, at such enforcing Party's request and expense, including joining such action as a party plaintiff if required by Applicable Law to pursue such action. The enforcing Party will keep the other Party regularly informed of the status and progress of such enforcement efforts, and will reasonably consider the other Party's comments on any such efforts.

(b) Without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed), CytomX will not settle any Infringement Action related to Joint Patent that are CytomX Patent Rights in any manner that would limit or restrict the ability of BMS (or its Affiliates or Sublicensees, as applicable) to sell Products anywhere in the Territory.

(c) Except as expressly set forth herein, CytomX retains all rights to enforce and settle claims with respect to any Infringement of a CytomX Patent Right.

9.8 A Party bringing a claim, suit or action under Section 9.7(a) against any Third Party engaged in Infringement of any Other CytomX Patent will be solely responsible for any expenses incurred by such Party as a result of such claim, suit or action. If such Party recovers monetary damages from such Third Party in such suit or action, such recovery will first be applied to all out-of-pocket costs and expenses incurred by the Parties in connection therewith, including attorneys' fees. If such recovery is insufficient to cover all such costs and expenses of both Parties, it will be shared pro-rata in proportion to the relative amount of such costs and expenses incurred by each Party. If after such reimbursement any funds remain from such damages, such funds will be shared as follows: [***].

9.9 Third Party Rights.

(a) The Parties will promptly notify each other of any written allegation that any activity pursuant to this Agreement infringes the Patent rights of any Third Party. In addition, the Parties will notify each other if either Party desires to obtain a license or otherwise pursue a defense or settlement with respect to any Third Party Patent that may be considered to Cover Products or Compounds or their use.

(b) Subject to Section 9.9(c), (d) and (e), with respect to any Third Party Patent under Section 9.9(a), BMS will have the first right to seek a license, at its expense, with respect to such Third Party Patent that specifically Covers the composition, formulation, method of use of any Compound and/or Product (to the extent such Patent Covers the foregoing and is not more generally applicable to Probodies other than Compounds and/or Products). Subject to Section 9.9(c), (d) and (e), in all other cases with respect to any Third Party Patent under Section 9.9(a), CytomX shall have the first right to control, at its expense, obtaining a license with respect to such Third Party Patent, and to negotiate the terms and conditions of, to enter into and make all the payments due pursuant to a license agreement with respect to such Third Party Patent (with the Third Party Patent rights required by BMS with respect to Compounds and Products being included in the CytomX Patent Rights and sublicensed by CytomX to BMS under Section 7.1) (such license agreement between CytomX and such Third Party being a "**Necessary License Agreement**"). In the event that CytomX elects to obtain such a Necessary License Agreement, CytomX will use Diligent Efforts to enter into such Necessary License Agreement. In the case that CytomX has not entered into such Necessary License Agreement for any reason within a reasonable period of time (but in any event no longer than [***]) after the Parties have mutually agreed that CytomX will seek the Necessary License Agreement, BMS shall then have the right to proceed, at its expense, with such license with respect to such Third Party Patent as it decides in its sole discretion, subject to Section 9.9(c), (d) and (e).

(c) Notwithstanding the foregoing, in the case a claim of infringement of a Patent is brought against a Party in a suit or other action or proceeding with respect to any Third Party Patent under Section 9.9(a), such Party will have the right, at its own expense and by counsel of its own choice, to prosecute and defend any such claim in such suit or other action or proceeding. If both Parties are named, the Parties shall meet and determine who is best situated to lead any such suit or other action or proceeding.

(d) Without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed), neither Party will settle any claim under this Section 9.9 in any manner that would have an adverse effect on the other Party.

(e) The Parties will cooperate in all respects with one another in prosecuting or defending any action pursuant to this Section 9.9.

9.10 Reexaminations, Oppositions and Related Actions.

(a) The Parties will promptly notify each other in the event that any Third Party files, or threatens to file, any paper in a court, patent office or other government entity, seeking to invalidate, reexamine, oppose or compel the licensing of any CytomX Patent Right or Product Specific Patent (any such Third Party action being a "**Patent Challenge**").

(b) BMS will have the first right to bring and control, at its expense, any effort in defense of such a Patent Challenge against a Product Specific Patent, except in the case where such Patent

Challenge is made in connection with an Infringement Action in which case the enforcing Party in the Infringement Action will have the first right to bring and control the defense of such Patent Challenge and such Patent Challenge will be considered part of the Infringement Action under this Article 9. In the case where BMS controls the defense of such Patent Challenge, CytomX will have the right, at its own expense and by counsel of its choice, to be represented in any such effort. If BMS fails to take action to defend such Patent Challenge within [***] of the time limit for bringing such defense (or within such shorter period to the extent that a delay in bringing such defense would limit or compromise the outcome of such defense of such Patent Challenge), then CytomX will have the right, but not the obligation, to bring and control any effort in defense of such Patent Challenge at its own expense.

(c) CytomX will have the first right to bring and control, at its expense, any effort in defense of such a Patent Challenge related to any Other CytomX Patent, except in the case where such Patent Challenge is made in connection with an Infringement Action in which case the enforcing Party in the Infringement Action will have the first right to bring and control the defense of such Patent Challenge and such Patent Challenge will be considered part of the Infringement Action under this Article 9. In the case where CytomX controls the defense of such Patent Challenge, BMS will have the right, at its own expense and by counsel of its choice, to be represented in any such effort. If CytomX fails to take action to defend such Patent Challenge within [***] of the time limit for bringing such defense (or within such shorter period to the extent that a delay in bringing such defense would limit or compromise the outcome of such defense of such Patent Challenge), then BMS will have the right, but not the obligation, to bring and control any effort in defense of such Patent Challenge at its own expense.

9.11 Disclosure of Inventions. Each Party will promptly disclose to the other Party all invention disclosures submitted to such Party by its or its Affiliates' employees describing Joint Inventions and Sole Inventions. Each Party will also respond promptly to reasonable requests from the other Party for more Information relating to such inventions.

9.12 Patent Contacts. Each Party will designate patent counsel representatives who will be responsible for coordinating the activities between the Parties in accordance with this Article 9 (each a "**Patent Contact**"). Each Party will designate its initial Patent Contact within [***] following the Effective Date and will promptly thereafter notify the other Party of such designation. If at any time a vacancy occurs for any reason, the Party that appointed the prior incumbent will as soon as reasonably practicable appoint a successor. Each Party will promptly notify the other Party of any substitution of another person as its Patent Contact. The Patent Contacts will, from time to time, coordinate the respective patent strategies of the Parties relating to this Agreement. In particular the Patent Contacts will review and update the list of CytomX Patent Rights and Product Specific Patents from time to time to ensure that all Products being Developed or Commercialized are covered.

9.13 Personnel Obligations. Prior to receiving any Confidential Information or beginning work under this Agreement relating to any research, Development or Commercialization of a Compound or a Product, each employee, agent or independent contractor of BMS or CytomX or of either Party's respective Affiliates will be bound in writing by non-disclosure and invention assignment obligations which are consistent with the obligations of BMS or CytomX under this Agreement (*provided* that where necessary in the case of a Third Party (i) such Third Party shall agree to grant BMS or CytomX, as the case may be, an exclusive license with the right to grant sublicenses with respect to resulting inventions and Patents and (ii) the period of time with respect to non-disclosure obligations may be shorter, but in no event less than [***] from the effective date of the written obligation).

9.14 Further Action. Each Party will, upon the reasonable request of the other Party, provide such assistance and execute such documents as are reasonably necessary for such Party to exercise its rights and perform its obligations pursuant to this Article 9; *provided*, *however*, that neither Party will be required to take any action pursuant to Article 9 that such Party reasonably determines in its sole judgment and discretion conflicts with or violates any applicable court or government order or decree or Applicable Law.

10. TRADEMARKS

10.1 Product Trademarks. BMS shall be solely responsible for the selection (including the creation, searching and clearing), registration, maintenance, policing and enforcement of all trademarks developed for use in connection with the marketing, sale or distribution of Products in the Field in the Territory (the "**Product Marks**"). BMS shall own all Product Marks, and all trademark registrations for said marks.

10.2 Use of Name. Neither Party shall, without the other Party's prior written consent, use any trademarks or other marks of the other Party (including the other Party's corporate name), trademarks, advertising taglines or slogans confusingly similar thereto, in connection with such Party's marketing or promotion of Products under this Agreement or for any other purpose, except as may be expressly authorized in writing in connection with activities under this Agreement and except to the extent required to comply with Applicable Law.

10.3 Further Actions. Each Party shall, upon the reasonable request of the other Party, provide such assistance and execute such documents as are reasonably necessary for such Party to exercise its rights and/or perform its obligations pursuant to this Article 10; *provided*, *however*, that neither Party shall be required to take any action pursuant to Article 10 that such Party reasonably determines in its sole judgment and discretion conflicts with or violates any applicable court or government order or decree or Applicable Law.

11. EXCLUSIVITY

11.1 Exclusivity. CytomX agrees that it will not work independently of this Agreement during the Term for itself or any Third Party (including the grant of any license or option to any Third Party) or enable a Third Party with respect to discovery, research, development and/or commercialization activities with respect to (i) Compound(s) and/or Product(s) in the Territory and/or (ii) any Collaboration Target (including any discovery, research, development and/or commercialization activities with respect to any Probody that selectively binds to any Collaboration Target, whether or not it also selectively binds another Target).

12. CONFIDENTIALITY

12.1 Confidentiality. Except to the extent expressly authorized by this Agreement or

otherwise agreed in writing by the Parties, each Party (the "**Receiving Party**") agrees that, for the Term and for [***] thereafter, it shall keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as provided for in this Agreement (which includes the exercise of any rights or the performance of any obligations hereunder) any Confidential Information furnished to it by the other Party (the "**Disclosing Party**") pursuant to this Agreement except for that portion of such Information that the Receiving Party can demonstrate by competent written proof:

(a) was already known to the Receiving Party or any of its Affiliates, other than under an obligation of confidentiality to the Disclosing Party, at the time of disclosure by the other Party;

(b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(c) became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the Receiving Party in breach of this Agreement;

(d) is subsequently disclosed to the Receiving Party or any of its Affiliates by a Third Party without obligations of confidentiality to the Disclosing Party with respect thereto; or

(e) is subsequently independently discovered or developed by the Receiving Party or its Affiliate without the aid, application, or use of Confidential Information of the Disclosing Party, as demonstrated by documented evidence prepared contemporaneously with such independent development.

All Information generated by either Party in the Development of a Compound or Product after the Effective Date or licensed to BMS hereunder shall be treated as the Confidential Information of BMS.

12.2 Authorized Disclosure. Each Party may disclose Confidential Information belonging to the other Party to the extent such disclosure is reasonably necessary in the following situations:

(a) filing or prosecuting Patents in accordance with Article 9;

(b) subject to Section 12.3, regulatory filings and other filings with Governmental Authorities (including Regulatory Authorities), including filings with the FDA, as necessary for the Development or Commercialization of a Product, as required in connection with any filing, application or request for Regulatory Approval; *provided*, *however*, that reasonable measures will be taken to assure confidential treatment of such information;

(c) prosecuting or defending litigation;

(d) complying with Applicable Law, including regulations promulgated by securities exchanges;

(e) subject to Section 12.3, complying with Applicable Law, including regulations promulgated by securities exchanges;

(f) disclosure to its Affiliates, employees, agents, independent contractors, licensors and any Sublicensees of the CytomX Technology or Product Specific Patents only on a need-to-know basis and solely in connection with the performance of this Agreement, *provided* that each disclosee must be bound by obligations of confidentiality and non-use at least as equivalent in scope as and no less restrictive than those set forth in this Article 12 prior to any such disclosure, [***], and *yet further provided* that disclosures of Joint Inventions by either Party do not require such restrictions;

(g) disclosure of this Agreement (including its material terms) to any bona fide potential or actual investor, stockholder, investment banker, acquirer, merger partner or other potential or actual financial partner, and others on a reasonable need-to-know basis; *provided* that each disclosee must be bound by obligations of confidentiality and non-use at least as equivalent in scope as and no less restrictive than those set forth in this Article 12 prior to any such disclosure;

(h) disclosure of the stage of Development of Products under this Agreement to any bona fide potential or actual investor, stockholder, investment banker, acquirer, merger partner or other potential or actual financial partner; *provided* that each disclosee must be bound by obligations of confidentiality and non-use at least as equivalent in scope as and no less restrictive than those set forth in this Article 12 prior to any such disclosure;

(i) disclosure of certain blinded data generated under this Agreement to any bona fide potential or actual investor, stockholder, investment banker, acquirer, merger partner or other potential or actual financial partner; *provided* that (A) each disclosee must be bound by obligations of confidentiality and non-use at least as equivalent in scope as and no less restrictive than those set forth in this Article 12 prior to any such disclosure and (B) any such disclosure by CytomX shall be subject to BMS' prior written approval, such approval not to be unreasonably withheld, conditioned or delayed; and

(j) disclosure pursuant to Section 12.5.

Notwithstanding the foregoing, in the event a Party is required to make a disclosure of the other Party's Confidential Information pursuant to Sections 12.2(a), 12.2(c) or 12.2(d), it will, except where impracticable, give reasonable advance notice to the other Party of such disclosure and use reasonable efforts to secure confidential treatment of such information. In any event, the Parties agree to take all reasonable action to avoid disclosure of Confidential Information hereunder, except as permitted in this Section 12.2.

Nothing in Sections 12.1 or 12.2 shall limit either Party in any way from disclosing to any Third Party such Party's U.S. or foreign income tax treatment and the U.S. or foreign income tax structure of the transactions relating to such Party that are based on or derived from this Agreement, as well as all materials of any kind (including opinions or other tax analyses) relating to such tax treatment or tax structure, except to the extent that nondisclosure of such matters is reasonably necessary in order to comply with applicable securities laws.

12.3 Publicity; Terms of Agreement.

(a) The Parties agree that the material terms of this Agreement are the Confidential Information of both Parties, subject to the special authorized disclosure provisions set forth in Section 12.2 and this Section 12.3. Except as set forth in Section 12.3(b) and 12.3(c), each Party agrees not to issue any press release or other public announcement disclosing the terms of this Agreement or the transaction contemplated hereby without the prior written consent of the other Party. Notwithstanding the foregoing, the Parties agree upon a mutual press release to announce the execution of this Agreement, which is attached hereto as **Exhibit H**; thereafter, CytomX and BMS may each disclose to Third Parties the information contained in such press release without the need for further approval by the other Party.

(b) In the case of a press release or governmental filing concerning the terms of this Agreement or the transaction contemplated hereby required by Applicable Law (where reasonably advised by the disclosing Party's counsel), the disclosing Party shall give prior advance notice (to the extent it reasonably can) of the proposed text of such release or filing to the other Party for its prior review but shall not be required to obtain approval therefor.

(c) The Parties acknowledge that either or both Parties may be obligated to file under Applicable Law a copy of this Agreement with the SEC or other Government Authorities. Each Party shall be entitled to make such a required filing, *provided* that it requests confidential treatment of at least the financial terms and sensitive technical terms hereof and thereof to the extent such confidential treatment is reasonably available to such Party. In the event of any such filing, each Party will provide the other Party with a copy of this Agreement marked to show provisions for which such Party intends to seek confidential treatment not less than [***] prior to such filing (and any revisions to such portions of the proposed filing a reasonable time prior to the filing thereof), and shall reasonably consider the other Party's comments thereon to the extent consistent with the legal requirements, with respect to the filing Party, governing disclosure of material agreements and material information that must be publicly filed, and shall only disclose Confidential Information which it is advised by counsel or the applicable Governmental Authority is legally required to be disclosed. No such notice shall be required under this Section 12.3(c) if the substance of the description of or reference to this Agreement contained in the proposed filing has been included in any previous filing made by either Party hereunder or otherwise approved by the other Party.

(d) Each Party shall require each of its Affiliates and private investors to which Confidential Information of the other Party is disclosed as permitted hereunder to comply with the covenants and restrictions set forth in Sections 12.1 through Section 12.3 as if each such Affiliate and each such investor were a Party to this Agreement and shall be fully responsible for any breach of such covenants and restrictions by any such Affiliate or investor.

12.4 Publications. Neither Party shall publicly present or publish results of studies carried out under this Agreement (each such presentation or publication a "**Publication**") without the opportunity for prior review by the other Party, except to the extent otherwise required by Applicable Law, in which case Section 12.3 shall apply with respect to disclosures required by the SEC and/or for regulatory filings. The submitting Party shall provide the other Party the opportunity to review any proposed Publication at least [***] prior to the earlier of its presentation or intended submission for publication. The submitting Party agrees, upon request by the other Party, not to submit or present any Publication until the other Party has had [***] to comment on any material in such Publication. The submitting Party shall consider the

comments of the other Party in good faith, but will retain the sole authority to submit the manuscript for Publication; *provided* that the submitting Party agrees to delay such Publication as necessary to enable the Parties to file a Patent if such Publication might adversely affect such Patent. The submitting Party shall provide the other Party a copy of the Publication at the time of the submission or presentation. Notwithstanding the foregoing, BMS shall not have the right to publish or present CytomX's Confidential Information without CytomX's prior written consent, and CytomX shall not have the right to publish or present BMS' Confidential Information without BMS' prior written consent. Each Party agrees to acknowledge the contributions of the other Party, and the employees of the other Party, in all publications as scientifically appropriate. This Section 12.4 shall not limit and shall be subject to Section 12.5.

Nothing contained in this Section 12.4 shall prohibit the inclusion of information in a patent application claiming, and in furtherance of, the manufacture, use, sale or formulation of a Compound, *provided* that the non-filing Party is given a reasonable opportunity to review, comment upon and/or approve the information to be included prior to submission of such patent application, where and to the extent required by Article 9 hereof. Notwithstanding the foregoing, the Parties recognize that independent investigators have been engaged, and will be engaged in the future, to conduct Clinical Trials of Compounds and Products. The Parties recognize that such investigators operate in an academic environment and may release information regarding such studies in a manner consistent with academic standards; *provided* that each Party will use reasonable efforts to prevent publication prior to the filing of relevant patent applications and to ensure that no Confidential Information of either Party is disclosed.

12.5 Publication and Listing of Clinical Trials and Compliance with other Policies, Orders and Agreements. The Parties agree to comply, with respect to the Compounds and Products, with (a) the Pharmaceutical Research and Manufacturers of America (PhRMA) Guidelines on the listing of Clinical Trials and the Publication of Clinical Trial results, (b) any applicable court order, stipulations, consent agreements and settlements entered into by a party, and (c) BMS' Research and Development policy concerning Clinical Trials Registration and Disclosure of Results as amended from time to time and other BMS policies or other policies adopted by it for the majority of its other pharmaceutical products with regard to the same (to the extent the same either are not in direct conflict with the documents referred to in clauses (a) and (c) above and, in the case of CytomX, to the extent such policies are provided by BMS to CytomX in writing prior to requiring their implementation under this Agreement).

12.6 Effect of Change of Control of CytomX. In the event that CytomX is acquired in a Change of Control Transaction by a Third Party (an Acquirer as defined below), then:

(a) the intellectual property of such Acquirer held or developed by such Acquirer prior to such acquisition ("Acquirer Technology") shall be excluded from the CytomX Technology and Product Specific Patents;

(b) intellectual property that, following such Change of Control Transaction, is developed, made or otherwise acquired or controlled by the Acquirer without material use of proprietary CytomX Know-How or BMS's Confidential Information (such proprietary know-how or BMS's Confidential Information, the "Segregated Technology") shall not be included within the CytomX Technology or Product Specific Patents. CytomX shall take reasonable steps to limit data access and

sharing between CytomX personnel working on the Preclinical Development Program or having access to data from the Preclinical Development Program or any BMS Confidential Information and CytomX personnel working on Segregated Technology.

(c) Notwithstanding the foregoing, if rights to Segregated Technology were granted to the Acquirer prior to the Change of Control, then the use of such Segregated Technology in accordance with such grant (and consistent with the exclusive licenses granted under this Agreement) shall not be deemed use of Segregated Technology for purposes of this Section 12.6 but shall be deemed Acquirer Technology;

(d) such Acquirer (and Affiliates of such Acquirer which are not controlled by (as defined under the Affiliate definition in Article 1) CytomX itself) shall be excluded from the Affiliate definition solely for purposes of the applicable components of the CytomX Technology or Product Specific Patents. For clarity, the Acquirer has sole discretion as to whether it will contribute its intellectual property or know-how to CytomX's activities and CytomX Technology or Product Specific Patents under this Agreement;

(e) As used herein, "Acquirer" means the Third Party involved in the Change of Control Transaction, and any Affiliate of such Third Party that was not an Affiliate of the Acquired Party immediately prior to the Change of Control; and "Acquired Party" means the Party that was the subject of such Change of Control, together with any entity that was its Affiliate immediately prior to the Change of Control.

(f) The provisions of Section 11.1 shall not apply to any Acquirer Technology or Segregated Technology or to any products developed without material use of Segregated Technology.

12.7 Termination of Prior CDA. This Agreement terminates, as of the Execution Date, the Prior CDA. All Information exchanged between the Parties under the Prior CDA shall be deemed Confidential Information of the corresponding Party under this Agreement and shall be subject to the terms of this Article 12.

13. TERM AND TERMINATION

13.1 Term. This Agreement shall become effective on the Effective Date and, unless earlier terminated pursuant to this Article 13, shall continue, on a Product-by-Product and country-by-country basis until such time as neither Party has any obligation to the other under this Agreement in such country with respect to such Product (the "**Term**").

13.2 Termination by BMS at Will.

(a) **Termination by BMS at Will.** BMS may terminate this Agreement as a whole, or on a country-by-country basis, at any time after the second anniversary of the Effective Date or, at any time after the Effective Date, on a Collaboration Target-by-Collaboration Target basis, effective upon two (2) months prior written notice to CytomX in the case where Regulatory Approval has not been obtained for any applicable Product to such Collaboration Target in either the U.S. or the EU, or upon

four (4) months prior written notice to CytomX in the case where Regulatory Approval has been obtained in either the U.S. or the EU for an applicable Product to such Collaboration Target. Following any such termination under this Section 13.2(a) becoming effective as to the Agreement as a whole, no further funding of FTEs by BMS shall be payable, BMS' obligations to purchase common shares in connection with an initial public offering of CytomX common stock pursuant to Section 8.1(b) shall no longer apply, and no milestone payments will be due on milestones achieved during the period between the notice of termination and the effective date of termination.

(b) **Termination by BMS for Safety Reasons.** BMS may terminate this Agreement on a Collaboration Target-by-Collaboration Target basis upon written notice to CytomX based on Safety Reasons. Upon such termination for Safety Reasons, BMS shall be responsible, at its expense, for the wind-down of any Development of applicable Product (including any Clinical Trials for the applicable Product being conducted by or on behalf of BMS) and any Commercialization activities for applicable Product. Such termination shall become effective upon the date that BMS notifies CytomX in writing that such wind-down is complete. Following any such notice of termination under this Section 13.2(b), no milestone payments will be due on milestones achieved during the period between the notice of termination and the effective date of termination.

(c) **No Recourse.** Any termination right exercised by BMS pursuant to Section 13.2(a) shall be without liability or recourse to BMS, other than as set forth therein or herein or pursuant to BMS' obligation to comply with Section 13.7 or Section 13.10 hereof.

13.3 Termination by Either Party for Breach.

(a) Either Party may terminate this Agreement with respect to any Collaboration Target (on a Collaboration Target-by-Collaboration Target basis) as to the entire Territory or with respect to any country (on a country-by-country basis), in the event the other Party materially breaches this Agreement, and such breach shall have continued for ninety (90) days (or, if such default cannot be cured within such ninety (90) day period, if the alleged breaching Party has not commenced and diligently continued good faith efforts to cure such breach, but in no case longer than 180 days after notice) after written notice shall have been provided to the breaching Party by the non-breaching Party requiring such breach to be remedied and stating an intention to terminate if not so cured (a "Termination Notice"). Except as set forth in Section 13.3(b), any such termination shall become effective at the end of such ninety (90) day period unless the breaching Party has cured any such breach prior to the expiration of the ninety (90) day period (or, if such default cannot be cured within such ninety (90) day period, if the alleged breaching Party has not commenced and diligently continued good faith efforts to cure such breach, but in no case longer than 180 days after such notice).

(b) If the alleged breaching Party disputes the existence or materiality of a breach specified in a Termination Notice provided by the other Party in accordance with Section 13.3(a), and such alleged breaching Party provides the other Party notice of such dispute within said ninety (90) day period after receiving such Termination Notice, then the non-breaching Party shall not have the right to terminate this Agreement under Section 13.3(a) with respect to the applicable Collaboration Target and country or countries unless and until such dispute has been submitted to arbitration in accordance with Article 16. In such event, and where such dispute relates: to a Compound or Product that has not

commenced clinical development or to a payment obligation, the arbitrators shall make a determination, within sixty (60) days after submission of such dispute, whether or not the period to cure the asserted breach under Section 13(a) should be tolled pending a final determination of such dispute. In the event the arbitrators so determine that, under the circumstances (including the potential impact on each Party), it is fair and reasonable that the cure period be tolled pending resolution of the dispute, or in any case where such dispute relates to a Compound or Product that has commenced clinical development, the non-breaching Party shall not have the right to terminate this Agreement unless and until it has been finally determined under Section 16.2 that this Agreement has been materially breached, and the breaching Party fails to cure such breach within ninety (90) days following such arbitrators' decision under Section 16.2 (except to the extent such breach involves the failure to make a payment when due, which breach must be cured within ten (10) Business Days following such arbitrators' decision). It is understood and agreed that during the pendency of such dispute, all of the terms and conditions of this Agreement shall remain in effect and the Parties shall continue to perform all of their respective obligations hereunder. It is understood and agreed that the ninety (90) day cure period set forth in Section 13.3(a) shall be tolled during the period commencing from such time as the alleged breaching Party disputes a breach in accordance with this Section 13.3(b), until such time as the arbitrator makes his or her determination under this Section 13.3(b) as to whether the cure period should continue to be tolled (to the extent applicable).

(c) No milestone payments by BMS will be due on milestones achieved, with respect to the applicable Major Market(s) for which termination is sought, during the period between the notice of termination under this Section 13.3 and the effective date of termination; *provided*, *however*, if the allegedly breaching Party provides notice of a dispute pursuant to Section 13.3(b) then the arbitrator shall also make a determination whether, under the circumstances, milestone payments will continue to be due for each milestone achieved during the period between the notice of termination under this Section 13.3 and the resolution of such dispute. In any event, if such dispute is resolved in a manner in which no termination of this Agreement occurs with respect to a Major Market for which a milestone was achieved, then upon such resolution BMS will promptly pay to CytomX the applicable milestone payment for each milestone achieved during the period between the notice of termination under this Section 13.3 and the resolution of such dispute.

13.4 [Reserved].

13.5 Termination by Either Party for Insolvency. A Party shall have the right to terminate this Agreement upon written notice if the other Party incurs an Insolvency Event; *provided*, however, in the case of any involuntary bankruptcy proceeding, such right to terminate shall only become effective if the Party that incurs the Insolvency Event consents to the involuntary bankruptcy or if such proceeding is not dismissed or stayed within forty-five (45) days after the filing thereof. "**Insolvency Event**" means circumstances under which a Party (i) has a receiver or similar officer appointed over all or a material part of its assets or business; (ii) passes a resolution for winding-up of all or a material part of its assets or business (other than a winding-up for the purpose of, or in connection with, any solvent amalgamation or reconstruction) or a court enters an order to that effect; (iii) has entered against it an order for relief recognizing it as a debtor under any insolvency or bankruptcy laws (or any equivalent order in any jurisdiction); or (iv) enters into any composition or arrangement with its creditors with respect to all or a material part of its assets or business (other than relating to a solvent restructuring).

13.6 Effects of Termination of this Agreement. Upon termination of this Agreement by BMS under Section 13.2(a) or by CytomX under Section 13.3, or Section 13.5 or the substitution of a Collaboration Target with a Substitute Target under Section 3.3 (except as the application of such Sections may be limited as provided in a given subsection of this Section 13.6), the following shall apply with respect to the terminated Collaboration Targets (in addition to any other rights and obligations under this Agreement with respect to such termination).

(a) **Obligations.** The licenses granted to BMS in Section 7.1 shall terminate solely with respect to the Collaboration Target(s) for which the termination becomes effective and, BMS shall retain a non-exclusive, worldwide license under Section 7.1 to sell, offer for sale and import Products during the Commercialization Wind-Down Period (if any) in accordance with Section 13.7(b) (including the right to sell such Products through BMS Sublicensees if BMS were using such Sublicensees to sell same prior to such termination date). To the extent such obligations existed prior to such termination, BMS shall not have any Diligent Efforts obligations thereafter with respect to the Development and Commercialization of any Compounds or Products for the terminated Collaboration Target. CytomX's obligations pursuant to Section 11.1 with respect to such Collaboration Target shall terminate, and all rights granted by CytomX to BMS with respect to such Collaboration Target shall revert to CytomX, including the rights granted BMS with respect to such terminated Collaboration Target under Sections 7.1 and 7.2. Any Collaboration Target with respect to which this Agreement has been terminated shall no longer be considered a Collaboration Target for all purposes of this Agreement, including Sections 3.1, 3.6, 3.7, 3.8, 3.9, 3.12, 6.2, 9.2, 9.4 and 11.1, without limiting any obligations under Article 12.

(b) **Licenses**. In the event that such termination occurs with respect to a Collaboration Target in a country or countries, BMS shall grant, and hereby grants, to CytomX with respect to the applicable country or countries:

(i) a license of scope of the same scope as the license granted under Section 7.3(c) with respect to such country or countries, which license shall survive termination of this Agreement and be perpetual;

(ii) a non-exclusive, royalty-free, paid-up, perpetual, sublicensable, non-exclusive license under any Patents Controlled by BMS and that were made by BMS using CytomX Technology or in performance of BMS's obligations or exercise of BMS's rights under this Agreement, and any Information that BMS is obligated to provide CytomX under Section 13.6(d) below, in order to make, have made, use, sell, offer for sale and import Probodies alone or incorporated in products (other than any specific Compound(s) or Product(s) identified by BMS prior to the notice of termination and comprising or incorporating an Antibody that is Controlled by BMS (other than by virtue of this Agreement)) with respect to the terminated Collaboration Target; and

(iii) on terms to be agreed by the Parties (but without any obligation to enter into an agreement), an exclusive or non-exclusive, sublicenseable, royalty-bearing license to make, have made, use, sell, offer for sale and import Probodies with respect to the terminated Collaboration Target in any such terminated country under Patents and Information Controlled by BMS and its Affiliates other than that licensed to CytomX under Section 13.6(b)(ii) above.

(c) **Commercialization.** BMS, its Affiliates and Sublicensees shall be entitled to continue to sell (but not to actively promote after the effective date of termination) any existing inventory of Products in each terminated country of the Territory for which Regulatory Approval therefor has been obtained (provided that such Products shall have launched in each such terminated country as of the applicable effective date of termination), in accordance with the terms and conditions of this Agreement (the "**Commercialization Wind-Down Period**").

(d) **Regulatory Materials.** Unless terminated for Safety Reasons in accordance with section 13.2(b), upon CytomX's written request, BMS shall use commercially reasonable efforts to provide CytomX with copies of preclinical and clinical data for Compounds or Products directed to the terminated Collaboration Target and Regulatory Materials for any Compounds or Product(s) targeting the terminated Collaboration Target in all country(ies) or territories that are held or controlled by or under authority of BMS, its Affiliates or Sublicensees, that are necessary for the Development and/or Commercialization of Probodies (other than any specific terminated Compound(s) or Product(s)) with respect to the terminated Collaboration Target in such country(ies) or territories.

(e) **Return of Confidential Information.** Within [***] after termination is effective, BMS shall destroy all tangible items comprising, bearing or containing any Confidential Information of CytomX that are in BMS' or its Affiliates' possession or control, to the extent such Confidential Information relates to and Compounds or Products directed to the Collaboration Target that was terminated, and provide written certification of such destruction, or prepare such tangible items of Confidential Information for shipment to CytomX, as CytomX may direct, at CytomX's expense; *provided* that BMS may retain one copy of such Confidential Information for its legal archives, and *provided further* that BMS shall not be required to destroy electronic files containing Confidential Information that are made in the ordinary course of its business information back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information.

(f) **Payments**. CytomX shall remain entitled to receive payments that accrued before the effective date of such termination.

(g) **Country-by-Country Termination**. Subject to Section 13.6(c), if BMS terminated this agreement with respect to a given Collaboration Target in a particular country or countries, under Section 13.2 above, then BMS agrees to cease Development and Commercialization of Products against such Collaboration Target in such country or countries.

13.7 Effects of Termination of Agreement by BMS under Section 13.3(a) or Section 13.5. Upon termination of this Agreement by BMS under Section 13.3(a) or Section 13.5 the following shall apply:

(a) All CytomX obligations under the applicable Preclinical Development Program with respect to each terminated Collaboration Target shall cease, and CytomX shall have no further obligation to: (i) perform any of its obligations under the applicable Preclinical Plan with respect to such terminated Collaboration Target, (ii) to provide any additional assistance or technology transfer related to such terminated Collaboration Target, including under Sections 3.9, 3.12, 6.2 and 6.4, or (iii) to disclose or provide any rights with respect to such terminated Collaboration Target under any Third Party agreements entered into after the date of termination pursuant to Section 8.5(c)(i) or 8.5(c)(ii);

(b) all rights and licenses granted to BMS under Sections 7.1 and 7.2 of this Agreement shall survive but shall become perpetual;

(c) BMS' obligations to pay royalties and milestones under Sections 8.3 through 8.5 of this Agreement shall survive such termination in an amount, provided that all such royalties and milestones shall be reduced to [***] of the amount that would otherwise have been payable under this Agreement[***];

(d) CytomX shall remain entitled to receive payments that accrued before the effective date of such termination;

(e) BMS shall have no further Diligent Efforts obligations under Sections 4.1 or 5.1;

(f) BMS shall remain entitled to select Additional Targets or Substitute Targets, as applicable, pursuant to Section 3.3(c) and subject to payment of any Additional Target Payments pursuant to Section 8.2 of this Agreement.

13.8 Effects of Expiration of Agreement. Upon the expiration of the Royalty Term (i.e., in the case where there is no earlier termination pursuant to this Article 13), on a Compound-by-Compound, Product-by-Product and country-by-country basis, the licenses granted to BMS under Article 7 with respect to CytomX Technology shall convert to a non-exclusive, perpetual, fully paid-up, non-royalty-bearing, sublicensable license.

13.9 Other Remedies. Termination or expiration of this Agreement for any reason shall not release either Party from any liability or obligation that already has accrued prior to such expiration or termination, nor affect the survival of any provision hereof to the extent it is expressly stated to survive such termination. Subject to and without limiting the terms and conditions of this Agreement (including Section 15.4), expiration or termination of this Agreement shall not preclude any Party from (a) claiming any other damages, compensation or relief that it may be entitled to upon such expiration or termination, (b) any right to receive any amounts accrued under this Agreement prior to the expiration or termination date but which are unpaid or become payable thereafter and (c) any right to obtain performance of any obligation provided for in this Agreement which shall survive expiration or termination.

13.10 Survival. Termination or expiration of this Agreement shall not affect rights or obligations of the Parties under this Agreement that have accrued prior to the date of termination or expiration of this Agreement. Notwithstanding anything to the contrary, the following provisions shall survive and apply after expiration or termination of this Agreement: Sections 3.4 (with respect to any obligation incurred or accrued prior to such expiration or termination), 3.9 (with respect to materials transferred before such termination or expiration), 7.4, 7.5, 9.1, 8.6-8.15 (with respect to payments accrued prior to the date of termination or expiration), 9.4(a), (b) and (d), 9.6, 9.7, 9.12, 10.2, 12.1, 12.2, 12.7, 14.3, and Articles 1 (to the extent necessary to interpret other surviving sections), 13, 15, 16 and 17; and

(a) with respect to a termination by BMS pursuant to Section 13.2(a) (at will termination): 7.3(c) and 8.3-8.15 (with respect to payment obligations accrued during the Commercialization Wind-Down Period); and

(b) with respect to a termination by BMS pursuant Section 13.2(b) (Safety Reasons): 7.3(c); and

(c) with respect to termination by BMS pursuant to Section 13.3(a) (CytomX' breach) or by BMS pursuant to Section 13.5 (CytomX' insolvency): Sections 3.13, 3.14, 4.4, 4.5, 6.1, 6.3, 7.1 and 7.2 (subject to Section 13.7(c)), 8.2-8.5 (subject to Section 13.7(c), but not 8.5(c)(i) or 8.5(c)(ii)), 8.6-8.15, 9.2, 9.3, 9.5(b)-(d); and

(d) with respect to a termination by CytomX pursuant to Section 13.3(a) (BMS' breach) or 13.5 (BMS' insolvency): 7.3(c) and 8.3-8.15 (with respect to payment obligations accrued during the Commercialization Wind-Down Period).

All provisions not surviving in accordance with the foregoing shall terminate upon expiration or termination of this Agreement and be of no further force and effect.

14. REPRESENTATIONS AND WARRANTIES

14.1 Mutual Representations and Warranties. Each Party hereby represents, warrants, and covenants (as applicable) to the other Party as of the Execution Date as follows:

(a) 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) It has the full corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder. 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. 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.

(c) It is not a party to any agreement, outstanding order, judgment or decree of any court or Governmental Authority that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under this Agreement.

(d) In the course of the Development of Products, such Party has not used prior to the Effective Date and shall not use, during the Term, any employee, agent or independent contractor 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) It has not, and will not, after the Effective Date and during the Term, grant any right to any Third Party that would conflict with the rights granted to the other Party hereunder.

14.2 Representations and Warranties and Covenants by CytomX. CytomX hereby represents and warrants as of the Effective Date and, where denoted below, covenants to BMS as follows:

(a) CytomX has sufficient legal and/or beneficial title, ownership or license under its Patents and Information necessary for the purposes contemplated by this Agreement. The CytomX Technology existing as of the Effective Date is free and clear from any Liens of the CytomX Technology, and CytomX has sufficient legal and/or beneficial title, ownership or license thereunder to grant the licenses to BMS as purported to be granted pursuant to this Agreement. As of the Execution Date, except for the Patents licensed to CytomX under the Existing License Agreements, CytomX is the sole owner of all right, title and interest in and to (free and clear from any Liens of any kind) the CytomX Patent Rights and Product Specific Patents listed on **Exhibits B and C**. All fees required to maintain such issued Patent rights have been paid to date. To CytomX's knowledge the CytomX Patent Rights and Product Specific Patents listed on **Exhibits B and C** constitute all Patents owned or Controlled by CytomX that would be infringed by the manufacture (as currently conducted), use or sale of Compounds and/or Products (but for the license granted by CytomX to BMS under Section 7.1).

(b) Other than the Existing License Agreements, CytomX has not entered into any agreements, either oral or written, with any Third Party relating to the Development, Commercialization or manufacture of the Compounds or Products. CytomX has provided BMS and/or its external legal counsel with true and complete copies of all Existing License Agreements, including all modifications, supplements or other amendments thereto as of the Effective Date.

(c) CytomX has not received any written notice from any Third Party asserting or alleging that the discovery, research and/or Development of Compounds or Products by CytomX prior to the Effective Date infringes the intellectual property rights of such Third Party. To CytomX's knowledge, the CytomX Technology existing as of the Effective Date was not obtained in violation of any contractual or fiduciary obligation owed by CytomX or its employees or agents to any Third Party or through the misappropriation of the intellectual property rights (including any trade secrets) from any Third Party.

(d) To CytomX's knowledge, except as disclosed by CytomX in writing to BMS' in-house patent counsel prior to the Effective Date, the Development, Commercialization and manufacture after the Effective Date of the Compounds and Products can be carried out in the manner contemplated as of the Effective Date without infringing any issued patents owned or controlled by a Third Party. To CytomX's knowledge, and except as disclosed by CytomX in writing to BMS' in-house patent counsel prior to the Effective Date, the Development and manufacture of Compounds prior to the Effective Date by or on behalf of CytomX has been carried out without infringing any issued patents owned or controlled by a Third Party.

(e) There are no pending, and to CytomX's knowledge no threatened, actions, suits or proceedings against CytomX involving the CytomX Technology as it relates to Compounds or Products.

(f) To CytomX's knowledge, there are no activities by Third Parties that would constitute infringement or misappropriation of the CytomX Technology as it relates to Compounds or Products.

(g) To CytomX's knowledge, the claims included in any issued CytomX Patent Rights or Product Specific Patents are valid and in full force and effect as of the Effective Date.

(h) CytomX has not granted (and CytomX covenants that during the Term it shall not grant, except in accordance with the express terms and conditions of this Agreement) any license or any option for a license under the CytomX Technology to any Third Party to make, use or sell any Compound or Product in any country in the Territory. CytomX covenants that during the Term it shall not grant any license or any option for a license to any Third Party, under any Patent that comes into the Control of CytomX in connection with this Agreement after the Effective Date (including a Patent for a CytomX Sole Invention or Joint Invention), to make, use or sell in the Field any Compound or Product in any country in the Territory. CytomX has not granted any Lien with respect to this Agreement or any of the CytomX Technology licensed by it to BMS under this Agreement. CytomX has not granted (and CytomX covenants that during the Term it shall not grant) to any Third Party any right or license or option to enforce or obtain any patent term extension for any of the Product Specific Patents.

(i) CytomX has disclosed in writing to BMS' in-house patent counsel (i) all CytomX Patent Rights and Product Specific Patents existing as of the Effective Date that would be infringed by the Development, Commercialization or manufacture of Compounds or Products by BMS, but for the licenses granted in this Agreement, and (ii) the jurisdiction(s) by or in which each such CytomX Patent Right has been issued or in which an application for such CytomX Patent Right has been filed, together with the respective patent or application numbers. All fees required to maintain such issued CytomX Patent Rights and Product Specific Patents have been paid.

(j) No person, other than former or current employees of CytomX who are obligated in writing to assign his/her inventions to CytomX, is an inventor of any of the inventions claimed in the CytomX Patent Rights or Product Specific Patents filed or issued as of the Effective Date, except for those Third Party inventors of those inventions that fall within the CytomX Technology Controlled by CytomX licensed to CytomX under the Existing License Agreements. All inventors of any inventions included within the CytomX Technology that are existing as of the Effective Date have assigned or have a contractual obligation to assign or license their entire right, title and interest in and to such inventions and the corresponding Patent rights to CytomX or to the Existing Third Party Licensor, as applicable. No present or former employee or consultant of CytomX owns or has any proprietary, financial or other interest, direct or indirect, in the CytomX Technology. To CytomX's knowledge, there are no claims that have been asserted in writing challenging the inventorship of the CytomX Patent Rights or Product Specific Patents.

(k) CytomX has maintained and, unless otherwise agreed to by BMS, will maintain

and keep in full force and effect all agreements and filings (including Patent filings, in accordance with Article 9) necessary to perform its obligations hereunder. CytomX and its Affiliates are in compliance in all material respects with each Existing License Agreement, and have performed all material obligations required to be performed by them to date under each Existing License Agreement. Neither CytomX nor its Affiliates are (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect under the Existing License Agreement and, to the knowledge of CytomX, no other party to any Existing License Agreement is (with or without the lapse of time or the giving of notice, or both) in breach or default in any respect thereunder.

(l) No Third Party has any right under any agreement entered into by CytomX and such Third Party prior to the Execution Date, including a right of consent or a right of first negotiation, that would reasonably be expected to interfere with BMS' exercise of its rights licensed under Section 7.1 hereof.

14.3 No Other Representations or Warranties. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 14 OR ELSEWHERE IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR NON-MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, OR THAT ANY OF THE DEVELOPMENT AND/OR COMMERCIALIZATION EFFORTS WITH REGARD TO ANY COMPOUND OR PRODUCT WILL BE SUCCESSFUL, IS MADE OR GIVEN BY OR ON BEHALF OF A PARTY. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED.

15. INDEMNIFICATION AND LIMITATION OF LIABILITY

15.1 Indemnification by CytomX for Third Party Claims. CytomX shall defend, indemnify, and hold BMS, its Affiliates, and their respective officers, directors, employees, and agents (the "**BMS Indemnitees**") harmless from and against any and all damages or other amounts payable to a Third Party claimant, as well as any reasonable attorneys' fees and costs of litigation incurred by such BMS Indemnitees (collectively, "**BMS Damages**"), all to the extent resulting from any claims, suits, proceedings or causes of action brought by such Third Party (collectively, "**BMS Claims**") against such BMS Indemnitee that arise out of or result from (or are alleged to arise out of or result from): (a) a breach of any of CytomX's representations, warranties, covenants and obligations under this Agreement; (b) the gross negligence or willful misconduct of any CytomX Indemnitees or its Affiliates; (c) the research or Development of Compounds before the Effective Date; or (d) any breach by CytomX or its Affiliates of, or any failure by CytomX or its Affiliates, or their respective contractors or agents, to perform, observe or comply with any of the provisions of, an Existing License Agreement, except to the extent that such failure is attributable to a breach by BMS of its obligations under this Agreement. The foregoing indemnity obligation shall not apply to the extent that any BMS Claim is subject to indemnity pursuant to Section 15.2 and/or is based on or alleges a breach by BMS or its Affiliates of an obligation under an agreement between BMS or its Affiliates and a Third Party.

15.2 Indemnification by BMS for Third Party Claims. BMS shall defend, indemnify, and

hold CytomX, its Affiliates, and each of their respective officers, directors, employees, and agents and the Existing Third Party Licensor, (the "**CytomX Indemnitees**") harmless from and against any and all damages or other amounts payable to a Third Party claimant, as well as any reasonable attorneys' fees and costs of litigation incurred by such CytomX Indemnitees (collectively, "**CytomX Damages**"), all to the extent resulting from any claims, suits, proceedings or causes of action brought by such Third Party (collectively, "**CytomX Claims**") against such CytomX Indemnitee that arise out of or result from (or are alleged to arise out of or result from): (a) the Development, manufacture, storage, handling, use, sale, offer for sale, and importation of any Compounds or Products by BMS or its Affiliates, or Sublicensees; (b) a breach of any of BMS' representations, warranties, covenants and obligations under this Agreement; or (c) the gross negligence or willful misconduct of any BMS Indemnitees. The foregoing indemnity obligation shall not apply to the extent that any CytomX Claim is subject to indemnity pursuant to Section 15.1 and/or is based on or alleges a breach by CytomX or its Affiliates of an obligation under an agreement between CytomX or its Affiliates and a Third Party.

15.3 Indemnification Procedures. The Party claiming indemnity under this Article 15 (the "**Indemnified Party**") shall give written notice to the Party from whom indemnity is being sought (the "**Indemnifying Party**") promptly after learning of the claim, suit, proceeding or cause of action for which indemnity is being sought ("**Claim**"), and, provided that the Indemnifying Party is not contesting the indemnity obligation, shall permit the Indemnifying Party to control and assume the defense of any litigation relating to such claim and disposition of any such Claim unless the Indemnifying Party is also a party (or likely to be named a party) to the proceeding in which such claim is made and the Indemnified Party gives notice to the Indemnifying Party that it may have defenses to such claim or proceeding that are in conflict with the interests of the Indemnifying Party, in which case the Indemnifying Party shall not be so entitled to assume the defense of the case. If the Indemnifying Party does assume the defense of any Claim, it (i) shall act diligently and in good faith with respect to all matters relating to the settlement or disposition of any Claim as the settlement or disposition relates to Parties being indemnified under this Article 15, (ii) shall cause such defense to be conducted by counsel reasonably acceptable to the Indemnified Party and (iii) shall not settle or otherwise resolve any Claim without prior notice to the Indemnified Party and the consent of the Indemnified Party if such settlement involves anything other than the payment of money by the Indemnifying Party (including, for example, any settlement admitting fault or wrongdoing of the Indemnified Party, or consenting to any injunctive relief). The Indemnified Party shall reasonably cooperate with the Indemnifying Party in its defense of any claim for which the Indemnifying Party has assumed the defense in accordance with this Section 15.3, and shall have the right (at its own expense) to be present in person or through counsel at all legal proceedings giving rise to the right of indemnification. So long as the Indemnifying Party is diligently defending the Claim in good faith, the Indemnified Party shall not settle any such Claim without the prior written consent of the Indemnifying Party. If the Indemnifying Party does not assume and conduct the defense of the Claim as provided above, (a) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to the Claim in any manner the Indemnified Party may deem reasonably appropriate (and the Indemnified Party need not consult with, or obtain any consent from, the Indemnifying Party in connection therewith), and (b) the Indemnifying Party will remain responsible to indemnify the Indemnified Party as provided in this Article 15.

15.4 Limitation of Liability. EXCEPT FOR (A) INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES PAID OR PAYABLE TO A THIRD

PARTY BY AN INDEMNIFIED PARTY FOR WHICH THE INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION PURSUANT TO SECTION 15.1 OR 15.2 HEREUNDER, (B) A BREACH OF SECTION 11.1, AND/OR (C) ANY BREACH OF ANY OF SECTIONS 12.1, 15.1 AND 15.2 OF THIS AGREEMENT BY A PARTY OR ITS AFFILIATES, AND/OR (D) DAMAGES THAT ARE DUE TO THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE LIABLE PARTY (INCLUDING GROSS NEGLIGENCE OR WILLFUL BREACH WITH RESPECT TO THE MAKING OF A PARTY'S REPRESENTATIONS AND WARRANTIES IN ARTICLE 14). IN NO EVENT SHALL EITHER PARTY, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT.

15.5 Insurance. BMS shall maintain a program of self-insurance sufficient to fulfill its obligations under this Agreement and CytomX shall procure and maintain insurance, including product liability insurance, with respect to its Preclinical Development Program activities and which are consistent with normal business practices of prudent companies similarly situated to such Party at all times during which any Product is being clinically tested in human subjects or commercially distributed or sold. It is understood that such insurance shall not be construed to create a limit of either Party's liability with respect to its indemnification obligations under this Article 15. CytomX shall provide BMS with written evidence of such insurance upon request, which evidence shall be treated as CytomX Confidential Information. CytomX shall provide BMS with written notice at least thirty (30) days prior to the cancellation, non-renewal or material change in such insurance.

16. DISPUTE RESOLUTION

16.1 Disputes; Resolution by Executive Officers. The Parties recognize that disputes as to certain matters may from time to time arise during the Term that relate to decisions to be made by the Parties herein or to the Parties' respective rights and/or obligations hereunder. It is the desire of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to arbitration or litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Article 16 if and when a dispute arises under this Agreement, subject to Section 16.5.

Accordingly, any disputes, controversies or differences, other than a matter within the final decision-making authority of BMS, which may arise between the Parties out of or in relation to or in connection with this Agreement shall be promptly presented to the Alliance Managers for resolution. If the Alliance Managers are unable to resolve such dispute within twenty (20) Business Days after a matter has been presented to them, then upon the request of either Party by written notice, the Parties agree to meet and discuss in good faith a possible resolution thereof, which good faith efforts shall include at least one in-person meeting between the Executive Officers of each Party within twenty (20) Business Days after receipt by the other Party of such written notice. If the matter is not resolved within twenty (20) Business Days following presentation to the Executive Officers, then:

(a) if such dispute, controversy or difference involves an Arbitrable Matter, either Party may invoke the provisions of Section 16.2; or

(b) if such dispute, controversy or difference involves a Litigable Matter, either Party may pursue such remedies as it may deem necessary or appropriate.

16.2 Arbitration. Any Arbitrable Matter that is not resolved pursuant to Section 16.1, shall be settled by binding arbitration to be conducted as set forth below in this Section 16.2.

(a) Either Party, following the end of the twenty (20) Business Day period referenced in Section 16.1, may refer such issue to arbitration by submitting a written notice of such request to the other Party. In any proceeding under this Section 16.2, there shall be three (3) arbitrators. Within fourteen (14) days after delivery of such notice, each Party will nominate one arbitrator in accordance with the then current rules of the Judicial Arbitration and Mediation Services ("**JAMS**"). The two arbitrators so nominated will nominate a third arbitrator to serve as chair of the arbitration tribunal, such nomination to be made within twenty (20) days after the selection of the second arbitrator. The arbitrators shall be neutral and independent of both Parties and all of their respective Affiliates, shall have significant experience and expertise in licensing and partnering agreements in the pharmaceutical and biotechnology industries, shall have appropriate experience with respect to the matter(s) to be arbitrated, and shall have some experience in mediating or arbitrating issues relating to such agreements. In the case of any dispute involving an alleged failure to use Diligent Efforts, the arbitrators shall in addition be an individual with experience and expertise in the worldwide development and commercialization of pharmaceuticals and the business, legal and scientific considerations related thereto. In the case of a dispute involving a scientific or accounting matter or determination, an Expert having applicable expertise and experience will be selected by the Parties to assist the arbitrators in such scientific or accounting matter or determination (and the arbitrators will select such Expert if the Parties cannot agree on such Expert within twenty (20) days following the selection of the arbitrators). The governing law in Section 17.10 shall govern such proceedings. No individual will be appointed to arbitrate a dispute pursuant to this Agreement unless he or she agrees in writing to be bound by the provisions of this Section 16.2. The place of arbitration will be Chicago, Illinois, unless otherwise agreed to by the Parties, and the arbitration shall be conducted in English.

(b) The arbitrators shall set a date for a hearing that shall be held no later than sixty (60) days following the appointment of the last of such three arbitrators. The Parties shall have the right to be represented by counsel. Except as provided herein, the arbitration shall be governed by the Comprehensive Arbitration Rules of JAMS applicable at the time of the notice of arbitration pursuant to Section 16.2(a), including the right of each Party to undertake document requests and up to five (5) depositions.

(c) The arbitrators shall use their best efforts to rule on each disputed issue within thirty (30) days after completion of the hearing described in Section 16.2(b). The determination of the arbitrators as to the resolution of any dispute shall be binding and conclusive upon the Parties, absent manifest error. All rulings of the arbitrators shall be in writing and shall be delivered to the Parties as soon as is reasonably possible. Nothing contained herein shall be construed to permit the arbitrators to award punitive, exemplary or any similar damages. The arbitrators shall render a "reasoned decision" within the meaning of the Commercial Arbitration Rules which shall include findings of fact and conclusions of law. Any arbitration award may be entered in and enforced by a court in accordance with Section 16.3 and Section 16.8.

16.3 Award. Any award to be paid by one Party to the other Party as determined by the arbitrators as set forth above under Section 16.2 shall be promptly paid in Dollars free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the Party resisting enforcement. Each Party agrees to abide by the award rendered in any arbitration conducted pursuant to this Article 16, and agrees that, subject to the Federal Arbitration Act, judgment may be entered upon the final award in a court of competent jurisdiction and that other courts may award full faith and credit to such judgment in order to enforce such award. With respect to money damages, nothing contained herein shall be construed to permit the arbitrators or any court or any other forum to award punitive or exemplary damages. By entering into this agreement to arbitrate, the Parties expressly waive any claim for punitive or exemplary damages. The only damages recoverable under this Agreement are compensatory damages.

16.4 Costs. Each Party shall bear its own legal fees in connection with any arbitration procedure. The arbitrators may in their discretion assess the arbitrators' cost, fees and expenses (and those any Expert hired by the arbitrators) against the Party losing the arbitration.

16.5 Injunctive Relief. Nothing in this Article 16 will preclude either Party from seeking equitable relief or interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. For the avoidance of doubt, nothing in this Section 16.5 shall otherwise limit a breaching Party's opportunity to cure a material breach as permitted in accordance with Section 13.3 or Section 13.4.

16.6 Confidentiality. The arbitration proceeding shall be confidential and the arbitrators shall issue appropriate protective orders to safeguard each Party's Confidential Information. Except as required by Applicable Law, no Party shall make (or instruct the arbitrators to make) any public announcement with respect to the proceedings or decision of the arbitrators without prior written consent of the other Party. The existence of any dispute submitted to arbitration, and any award, shall be kept in confidence by the Parties and the arbitrators, except as required in connection with the enforcement of such award or as otherwise required by Applicable Law. Notwithstanding the foregoing, each Party shall have the right to disclose information regarding the arbitration proceeding to the same extent as it may disclose Confidential Information of the other Party under Article 12 above.

16.7 Survivability. Any duty to arbitrate under this Agreement shall remain in effect and be enforceable after termination of this Agreement for any reason.

16.8 Patent and Trademark Disputes. Notwithstanding Section 16.2, any dispute, controversy or claim relating to the inventorship, scope, validity, enforceability or infringement of any Patents or Marks Covering the manufacture, use, importation, offer for sale or sale of Products shall be submitted to a court of competent jurisdiction in the country in which such patent or trademark rights were granted or arose.

17. MISCELLANEOUS

17.1 Entire Agreement; Amendments. This Agreement, including the Exhibits hereto (which are incorporated into and made a part of this Agreement), sets forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof and supersedes, as of the Effective Date, all prior agreements and understandings between the Parties with respect to the subject matter hereof, including the Prior CDA. In the event of any inconsistency between the Preclinical Plan and this Agreement, the terms of this Agreement shall prevail. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as are set forth herein and therein. 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.

17.2 HSR Act Filing. The Parties shall each, prior to or as promptly as practicable after the Execution Date of this Agreement, file or cause to be filed with the U.S. Federal Trade Commission and the U.S. Department of Justice and any relevant foreign governmental authority any notifications required to be filed under the HSR Act and any applicable foreign equivalent thereof with respect to the transactions contemplated hereby; *provided* that the Parties shall each file the notifications required to be filed under the HSR Act no later than ten (10) business days after the Execution Date of this Agreement. Each Party shall be responsible for its own costs in connection with such filing, except that BMS shall be solely responsible for the applicable filing fees. The Parties shall use commercially reasonable efforts to respond promptly to any requests for additional information made by either of such agencies, and to cause the waiting periods under the HSR Act and any applicable foreign equivalent thereof to terminate or expire at the earliest possible date after the date of filing. Each Party shall use its commercially reasonable efforts to ensure that its representations and warranties set forth in this Agreement remain true and correct at and as of the Effective Date as if such representations and warranties were made at and as of the Effective Date. Notwithstanding anything in this Agreement to the contrary, this Agreement (other than **Article 9** and this **Section 17.2**) shall not become effective until the expiration or earlier termination of the waiting period under the HSR Act in the U.S., the expiration or earlier termination of any applicable waiting period under the antitrust or competition laws of any other jurisdiction, and the approval or clearance of the transactions contemplated by this Agreement in any jurisdiction requiring advance approval or clearance (the **"Effective Date"**).

17.3 Export Control. This Agreement is made subject to any restrictions concerning the export of products or technical information from the U.S. or other countries which may be imposed upon or related to CytomX or BMS from time to time. Each Party agrees that it shall not export, directly or indirectly, any technical information acquired from the other Party under this Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export license or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity.

17.4 Rights in Bankruptcy.

(a) All rights and licenses granted under or pursuant to this Agreement by one

Party to the other are, for all purposes of Section 365(n) of Title 11 of the United States Code ("**Title 11**"), licenses of rights to "intellectual property" as defined in Title 11, and, in the event that a case under Title 11 is commenced by or against either Party (the "**Bankrupt Party**"), the other Party shall have all of the rights set forth in Section 365(n) of Title 11 to the maximum extent permitted thereby. During the Term, each Party shall create and maintain current copies to the extent practicable of all such intellectual property. Without limiting the Parties' rights under Section 365(n) of Title 11, if a case under Title 11 is commenced by or against the Bankrupt Party, the other Party shall be entitled to a copy of any and all such intellectual property and all embodiments of such intellectual property, and the same, if not in the possession of such other Party, shall be promptly delivered to it (i) before this Agreement is rejected by or on behalf of the Bankrupt Party, within thirty (30) days after the other Party's written request, unless the Bankrupt Party, or its trustee or receiver, elects within thirty (30) days to continue to perform all of its obligations under this Agreement, or (ii) after any rejection of this Agreement by or on behalf of the Bankrupt Party, if not previously delivered as provided under clause (i) above. All rights of the Parties under this Section 17.4 and under Section 365(n) of Title 11 are in addition to and not in substitution of any and all other rights, powers, and remedies that each Party may have under this Agreement, Title 11, and any other Applicable Law. The non-Bankrupt Party shall have the right to perform the obligations of the Bankrupt Party hereunder with respect to such intellectual property, but neither such provision nor such performance by the non-Bankrupt Party shall release the Bankrupt Party from any such obligation or liability for failing to perform it.

(b) The Parties agree that they intend the foregoing non-Bankrupt Party rights to extend to the maximum extent permitted by law and any provisions of applicable contracts with Third Parties, including for purposes of Title 11, (i) the right of access to any intellectual property (including all embodiments thereof) of the Bankrupt Party or any Third Party with whom the Bankrupt Party contracts to perform an obligation of the Bankrupt Party under this Agreement, and, in the case of the Third Party, which is necessary for the Development, Regulatory Approval and manufacture of Products and (ii) the right to contract directly with any Third Party described in (i) in this sentence to complete the contracted work.

(c) Any intellectual property provided pursuant to the provisions of this Section 17.4 shall be subject to the licenses set forth elsewhere in this Agreement and the payment obligations of this Agreement, which shall be deemed to be royalties for purposes of Title 11.

(d) In the event that after the Effective Date CytomX enters into a license agreement with a Third Party with respect to intellectual property that will be sublicensed to BMS hereunder, CytomX will use commercially reasonable efforts to enable BMS to receive a direct license from any such Third Party in the event that such license agreement between CytomX and such Third Party is terminated during the Term solely on account of CytomX becoming a Bankrupt Party.

(e) Notwithstanding anything to the contrary in Article 9, in the event that CytomX is the Bankrupt Party, BMS may take appropriate actions in connection with the filing, prosecution, maintenance and enforcement of any Product Specific Patents licensed to BMS under this Agreement without being required to consult with CytomX before taking any such actions, *provided* that such actions are consistent with this Agreement.

17.5 Force Majeure. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by force majeure (defined below) and the nonperforming Party promptly provides notice of such prevention to the other Party. Such excuse shall be continued so long as the condition constituting force majeure continues. The Party affected by such force majeure also shall notify the other Party of the anticipated duration of such force majeure, any actions being taken to avoid or minimize its effect after such occurrence, and shall take reasonable efforts to remove the condition constituting such force majeure. For purposes of this Agreement, "**force majeure**" shall include conditions beyond the control of the Parties, including an act of God, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, war, acts of war (whether war be declared or not), labor strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. The payment of invoices due and owing hereunder shall in no event be delayed by the payer because of a force majeure affecting the payer.

17.6 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 addressed to the appropriate Party at the address specified below or such other address as may be specified by such Party in writing in accordance with this Section 17.6, and shall be deemed to have been given for all purposes (a) when received, if hand-delivered or sent by a reputable international expedited delivery service, or (b) five (5) Business Days after mailing, if mailed by first class certified or registered mail, postage prepaid, return receipt requested.

For CytomX:	CytomX Therapeutics, Inc. 343 Oyster Point Blvd., Suite 100 South San Francisco, CA, 94080—1913 Attention: CEO
With a copy to:	[***]
For BMS:	Bristol-Myers Squibb Company Route 206 and Province Line Road Princeton, NJ 08543-4000 Attention: Senior Vice President, Strategy, Alliances and Transactions
With a copy to:	Bristol-Myers Squibb Company Route 206 and Province Line Road Princeton, NJ 08543-4000 Attention: Vice President and Assistant General Counsel, Business Development and Licensing

Furthermore, a copy of any notices required or given under Section 9.6(a) of this Agreement shall also be addressed to the Vice President and Chief Intellectual Property Counsel of BMS at the address set forth in Section 9.6(a).

17.7 Independent Contractors. Each Party shall act solely as an independent contractor, and nothing in this Agreement shall be construed to give either Party the power or authority to act for, bind, or commit the other Party in any way. Nothing herein shall be construed to create the relationship of partners, principal and agent, or joint-venture partners between the Parties.

17.8 Maintenance of Records. Each Party shall maintain complete and accurate records of all work conducted under this Agreement and all results, data and developments made pursuant to its efforts under this Agreement. Such records shall be complete and accurate and shall fully and properly reflect all work done and results achieved in the performance of this Agreement in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes. Each Party shall maintain such records for a period of [***] after such records are created; *provided* that records may be maintained for an appropriate longer period in accordance with each Party's internal policies on record retention in order to ensure the preservation, prosecution, maintenance or enforcement of intellectual property rights. Each Party shall keep and maintain all records required by Applicable Law with respect to Products.

17.9 Assignment. Neither Party may assign this Agreement or assign or transfer any rights or obligations hereunder without the prior written consent of the other, except that a Party may make such an assignment or transfer without the other Party's consent (i) to any Affiliate of such Party, *provided* that such transfer shall not adversely affect the other Party's rights and obligations under this Agreement and that such assigning/transferring Party remains jointly and severally liable with such Affiliate for the performance of this Agreement and/or the assigned obligations, or (ii) to any Third Party successor-in-interest or purchaser of all or substantially all of the business or assets of such Party to which this Agreement relates (with such business and assets, in the case of CytomX, to include the CytomX Technology), whether in a merger, combination, reorganization, sale of stock, sale of assets or other transaction; *provided*, *however*, that in each case (i) and (ii) that the assigning Party provides written notice to the other Party of such assignment and the assignee shall have agreed in writing to be bound (or is otherwise required by operation of Applicable Law to be bound) in the same manner as such assigning Party hereunder; and *further provided* that if such assignment by BMS would result in withholding or other similar taxes becoming due on payments to CytomX under this Agreement, then any such assignment will require CytomX's prior written consent absent an express agreement by BMS or the assignee to pay or reimburse CytomX for any such taxes resulting from such assignment, such consent not to be unreasonably withheld or delayed. In addition, either Party may assign its right to receive proceeds under this Agreement or grant a security interest in such right to receive proceeds under this Agreement to one or more Third Parties providing financing to such Party pursuant to the terms of a security or other agreement related to such financing (i.e., for purposes of a royalty financing arrangement). Any permitted assignment shall be binding on the successors of the assigning Party. Any assignment or attempted assignment by either Party in violation of the terms of this Section 17.9 shall be null, void and of no legal effect. For clarity, the provisions of this Section 17.9 shall not apply to or encompass sublicensing of the rights licensed to a Party under this Agreement.

17.10 Governing Law. This Agreement shall be governed by and construed and enforced under the substantive laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise make this Agreement subject to the substantive law of another jurisdiction. For clarification, any dispute relating to the inventorship, scope, validity, enforceability or infringement of any patent right shall be governed by and construed and enforced in accordance with the patent laws of the applicable jurisdiction.

17.11 Performance by Affiliates. Subject to the terms and conditions of this Agreement, each Party may discharge any obligations and exercise any right hereunder through any of its Affiliates. Each Party hereby guarantees the performance by its Affiliates of such Party's obligations under this Agreement, and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Any breach by a Party's Affiliate of any of such Party's obligations under this Agreement shall be deemed a breach by such Party, and the other Party may proceed directly against such Party without any obligation to first proceed against such Party's Affiliate.

17.12 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

17.13 Compliance with Applicable Law. Each Party shall comply with Applicable Law in the course of performing its obligations or exercising its rights pursuant to this Agreement. Neither Party (nor any of their Affiliates) shall be required under this Agreement to take any action or to omit to take any action otherwise required to be taken or omitted by it under this Agreement if the taking or omitting of such action, as the case may be, could in its opinion violate any settlement, consent order, corporate integrity agreement, or judgment to which it may be subject from time to time during the Term. Notwithstanding anything to the contrary in this Agreement, neither Party nor any of its Affiliates shall be required to take, or shall be penalized for not taking, any action that such Party reasonably believes is not in compliance with Applicable Law.

17.14 Severability. If any one or more of the provisions of this Agreement are held to be invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal can be or is taken, the provision shall be considered severed from this Agreement and shall not serve to invalidate any remaining provisions hereof. The Parties shall make a good faith effort to replace any invalid or unenforceable provision with a valid and enforceable one such that the objectives contemplated by the Parties when entering this Agreement may be realized.

17.15 No Waiver. Neither Party may waive or release any of its rights or interests in this Agreement except in writing. The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition. No waiver by either Party of any condition or term in any one or more instances shall be construed as a continuing waiver of such condition or term or of another condition or term.

17.16 Interpretation. The captions and headings to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement. Unless specified to the contrary, references to Articles, Sections or Exhibits mean the particular Articles, Sections or Exhibits of this Agreement and references to this Agreement include all Exhibits hereto. Unless context otherwise clearly requires, whenever used in this Agreement: (a) the words "include", "includes" or "including" shall be construed as incorporating also the phrase "but not limited to" or "without limitation"; (b) the word "day" or "quarter" shall mean a calendar day or quarter, unless

otherwise specified; (c) the word “notice” shall mean notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (d) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement (including any Exhibits); (e) provisions that require that a Party, the Parties or the JRC hereunder “agree,” “consent” or “approve” or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise; (f) words of any gender include the other gender; (g) words using the singular or plural number also include the plural or singular number, respectively; (h) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement law, rule or regulation thereof; and (i) the word “will” shall be construed to have the same meaning and effect as the word “shall”. 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. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party hereto. This Agreement should be interpreted in its entirety and the fact that certain provisions of this Agreement may be cross-referenced in a Section shall not be deemed or construed to limit the application of other provisions of this Agreement to such Section and vice versa.

As used in this Agreement, the phrase ‘with respect to a given Collaboration Target’ or ‘with respect to any Collaboration Target’ or ‘for a Collaboration Target’ (or similar phrases) when referring to BMS’ licenses or license rights or Compounds ‘with respect to a Collaboration Target’ (or when referring to the termination of BMS’ licenses or license rights hereunder) refers to the licensed CytomX Technology or Product Specific Patent that applies to Compounds and Products targeting such Collaboration Target.

17.17 Counterparts. This Agreement may be executed in counterparts with the same effect as if both Parties had signed the same document, each of which shall be deemed an original, shall be construed together and shall constitute one and the same instrument. This Agreement may be executed and delivered through the email of pdf copies of the executed Agreement.

[signature page follows]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the Execution Date.

BRISTOL-MYERS SQUIBB COMPANY		**CYTOMX THERAPEUTICS, INC.**	
By:	/s/ Graham R. Brazier	By:	/s/ Sean McCarthy
Name:	Graham R. Brazier	Name:	Sean McCarthy
Title:	Vice President, Business Development	Title:	CEO

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

SCHEDULES AND EXHIBITS

Schedule 1.30 – Existing Antibodies and Masks

Exhibit A – Existing License Agreements

Exhibit B – CytomX Patent Rights as of the Execution Date

Exhibit C – Product Specific Patents as of the Execution Date

Exhibit D – Tools Patents as of the Execution Date

Exhibit E – Initial Preclinical Plan

Exhibit F – Collaboration Targets

Exhibit G – Reserved Targets

Exhibit H – Press Release

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 1.30

Existing Antibodies and Masks

[***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit A

Existing License Agreements

Exclusive License Agreement between The Regents of the University of California and CytomX Therapeutics, LLC dated August 19, 2010, as amended, including by that Amendment No. 1 to Exclusive License Agreement dated May 30, 2013, and that Amendment No. 2 to Exclusive License Agreement dated November 8, 2013.

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit B

CytomX Patent Rights as of the Effective Date

Title	CYTX Ref No.	CY	Serial No. / Issue No.	Filing / Issue Dates	Status	Assignee
[***]†						

†Three pages of text have been omitted.

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Exhibit C

Product Specific Patents as of the Effective Date

[***]

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Exhibit D

Tools Patents as of the Effective Date

[***]†

†One page of text has been omitted.

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Exhibit E

Initial Preclinical Plan

[***]†

†Two pages of text have been omitted.

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Exhibit 10.18

FOIA CONFIDENTIAL TREATMENT REQUESTED

Exhibit F

Collaboration Targets

1. CTLA-4, GenBank accession number: AF414120

2. [***]

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit G
Reserved Targets

[***]

Exhibit H

Press Release

[GRAPHIC APPEARS HERE] [GRAPHIC APPEARS HERE]

Bristol-Myers Squibb and CytomX Therapeutics Announce Worldwide Collaboration to Develop Probody™ Therapeutics Against Multiple Immuno-Oncology Targets

(NEW YORK and SOUTH SAN FRANCISCO – May 27, 2014) – Bristol-Myers Squibb Company (NYSE: BMY) and CytomX Therapeutics, Inc. today announced the companies have signed a worldwide research collaboration and license agreement to discover, develop and commercialize novel therapies against multiple immuno-oncology targets using CytomX's proprietary Probody™ Platform.

Probodies are monoclonal antibodies that are selectively activated within the cancer microenvironment, focusing the activity of therapeutic antibodies to tumors and sparing healthy tissue. The unique selectivity of Probodies expands the therapeutic window for both validated and novel targets, and has the potential to create multiple new classes of safer and more effective therapies.

"Immuno-oncology offers a tremendous opportunity to change how cancer is treated, and Bristol-Myers Squibb is committed to advancing our immuno-oncology drug research and development for patients living with the disease," said Francis Cuss, MB BChir, FRCP, executive vice president and chief scientific officer, Bristol-Myers Squibb. "The Probody Platform has the potential to broaden discovery of innovative therapies, and the collaboration with CytomX reflects our continued leadership in immuno-oncology."

Under the terms of the agreement, CytomX will grant Bristol-Myers Squibb exclusive worldwide rights to develop and commercialize Probodies for up to four oncology targets including CTLA-4, a clinically validated immune inhibitory checkpoint receptor. Bristol-Myers Squibb will have certain additional rights to substitute up to two collaboration targets. Bristol-Myers Squibb will make an upfront payment of $50 million to CytomX and provide research funding over

the course of the research term. CytomX will also be eligible to receive additional preclinical payments and up to $298 million in future development, regulatory and sales milestone payments for each collaboration target, as well as tiered mid-single-digit rising to low-double-digit royalty payments on net sales of each product commercialized by Bristol-Myers Squibb. Closing of the transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act.

"We are thrilled to announce our first cancer immunotherapy collaboration with an unequivocal leader in this field," said Sean McCarthy, D.Phil., chief executive officer of CytomX. "This strategic alliance with Bristol-Myers Squibb demonstrates that our innovative Probody Platform has the potential to enable novel therapies in this transformational area of cancer research and development. This collaboration, together with our recently announced partnerships in the Probody Drug Conjugate space, illustrate the breadth of Probody technology and how we aim to make a difference in the lives of patients. We look forward to collaborating with Bristol-Myers Squibb to advance highly differentiated Probody therapeutics into development."

About Bristol-Myers Squibb

Bristol-Myers Squibb is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. For more information, please visit www.bms.com or follow us on Twitter at http://twitter.com/bmsnews.

About CytomX

CytomX Therapeutics, the Probody™ therapeutics company, is developing the next generation of antibody therapies. Probodies are masked antibodies that remain inert in healthy tissue but are activated specifically in the disease microenvironment. The Probody approach is designed to blunt systemic toxicities associated with antibodies and expand the therapeutic window of these drugs, unlocking new therapeutic targets. The Company is initially focusing this highly innovative platform to discover and develop new immunotherapy and antibody drug conjugate therapies to treat areas of major unmet medical need in oncology. CytomX has attracted multiple strategic collaborations with industry-leading pharmaceutical companies including Pfizer Inc., ImmunoGen and Bristol-Myers Squibb. CytomX is led by a seasoned and proven management team and is financed by leading life science investors, including Third Rock Ventures, Canaan Partners and the Roche Venture Fund. For more information, please visit www.cytomx.com.

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Bristol-Myers Squibb Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding the research, development and commercialization of pharmaceutical products. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the compounds mentioned in this release will move into full product development, that the clinical trials of these compounds will support regulatory filings, that these compounds will receive regulatory approval or, if approved, that they will become commercially successful products. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Bristol-Myers Squibb's business, particularly those identified in the cautionary factors discussion in Bristol-Myers Squibb's Annual Report on Form 10-K for the year ended December 31, 2013 in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Bristol-Myers Squibb undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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CytomX
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973-271-6085

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit 10.19

FOIA CONFIDENTIAL TREATMENT REQUESTED

RESEARCH COLLABORATION, OPTION AND LICENSE AGREEMENT

BY AND BETWEEN

PFIZER INC.

AND

CYTOMX THERAPEUTICS, INC.

MAY 30, 2013

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

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Schedule 8.2.3: CytomX Patent Rights
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Schedule 8.2.9: Agreements Limiting IP Rights
Schedule 8.2.10: Disclosed Third Party Agreements

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

RESEARCH COLLABORATION, OPTION AND LICENSE AGREEMENT

This Research Collaboration, Option and License Agreement (the "**Agreement**") is entered into as of May 30, 2013 (the "**Effective Date**"), by and among Pfizer, Inc., a corporation organized and existing under the laws of the State of Delaware and having a place of business at 235 East 42nd Street, New York, New York, 10017 United States ("**Pfizer**") and CytomX Therapeutics, Inc., a corporation organized and existing under the laws of Delaware and having a place of business at 650 Gateway Blvd., Suite 125, South San Francisco, California, 94080 United States ("**CytomX**"). Pfizer and CytomX may each be referred to herein individually as a "**Party**" and collectively as the "**Parties**."

WHEREAS, Pfizer is engaged in the research, development and commercialization of pharmaceutical and health care products and has developed and owns proprietary rights to certain technology enabling antibody-drug conjugation, including technology relating to Linkers and Payloads;

WHEREAS, CytomX has developed and owns proprietary rights to certain technology relating to a proprietary platform to enable the development of fully recombinant, protease-activated monoclonal antibodies, including Probodies (as defined below); and

WHEREAS, Pfizer and CytomX desire to collaborate to discover and research novel Probodies and Probody drug conjugates active against certain designated targets and to provide for Pfizer to further research, develop, manufacture and commercialize Probody drug conjugates, as provided for herein.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS.

When used in this Agreement, the following capitalized terms shall have the meanings set forth in this Article 1. Any terms defined elsewhere in this Agreement shall be given equal weight and importance as though set forth in Article 1.

1.1. "**Acquirer**" is defined in Section 9.10.1(b).

1.2. "**ADC**" means an Antibody conjugated to a Payload using a Linker, other than a PDC.

1.3. "**Additional Target**" is defined in Section 2.1.6.

1.4. "**Additional Target Designation Date**" is defined in Section 2.1.6.

1.5. "**Additional Target Fee**" is defined in Section 2.1.6.

1.6. "**Additional Third Party Licenses**" is defined in Section 5.5.2(b).

1.7. "**Affiliate**" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person. A Person shall be regarded as in control of another entity if it owns or controls at least fifty percent (50%) of the equity securities of the subject entity entitled to vote in the election of directors (or, in the case of an entity that is not a corporation, for the election of the corresponding managing authority), provided, however, that the term "Affiliate" shall not include subsidiaries or other entities in which a Party or its Affiliates owns a majority of the ordinary voting power necessary to elect a majority of the board of directors or other managing authority, but is restricted from electing such majority by contract or otherwise, until such time as such restrictions are no longer in effect.

1.8. "**Agreement**" is defined in the introduction to this Agreement.

1.9. "**Agreement PDC**" means any PDC incorporating an Agreement Probody Targeting a Research Project Target.

1.10. "**Agreement Probody**" means (a) an EGFR Probody, (b) any Probody that is identified, created or developed in the course of the Research Program as Targeting a Research Project Target and (c) any modification or derivative of a Probody referenced under clause (a) or (b) of this Section 1.10 that is (i) developed by Pfizer, (ii) Targets a Research Project Target and (iii) is claimed or covered by CytomX Technology or Developed IP.

1.11. "**Alliance Manager**" is defined in Section 2.5.

1.12. "**Annual Net Sales**" means, with respect to any Licensed Product in a Pfizer Year during the applicable Royalty Term for such Licensed Product, the aggregate Net Sales by Pfizer, its Affiliates and its Sublicensees from the sale of such Licensed Product in the Territory during such Pfizer Year.

1.13. "**Antibody**" means a molecule which comprises or contains: (a) one or more immunoglobulin variable domains; (b) fragments, variants, modifications or derivatives of such immunoglobulin variable domains irrespective of origin or source, including but not limited to antigen binding portions including Fab, Fab', F(ab')2, Fv, dAb and CDR fragments, single chain antibodies (scFv), chimeric antibodies, monospecific antibodies, diabodies and polypeptides (including humanized versions thereof) that contain at least a portion of an immunoglobulin that is sufficient to confer specific antigen binding to the polypeptide; or (c) the nucleic acid consisting of a sequence of nucleotides encoding (or complementary to a nucleic acid encoding) the foregoing molecules in (a) or (b). For clarity, as used in this Agreement, the term "Antibody" shall not include Probodies or PDCs.

1.14. "**Applicable Law**" means the laws, statutes, rules, regulations, guidelines, or other requirements that may be in effect from time to time and apply to a Party's activities to be performed under this Agreement, including any such laws, statutes, rules, regulations, guidelines or other requirements of the FDA or the EMA.

1.15. "**Asia**" means [***].

1.16. "**Available**" means [***].

1.17. "**Bankruptcy Code**" is defined in Section 4.6.

1.18. "**Binding Obligation**" means, with respect to a Party (a) any oral or written agreement or arrangement that binds or legally affects such Party's operations or property, including any assignment, license agreement, loan agreement, guaranty, or financing agreement; (b) the provisions of such Party's charter, bylaws or other organizational documents or (c) any order, writ, injunction, decree or judgment of any court or Governmental Authority entered against such Party or by which any of such Party's operations or property are bound.

1.19. "**Biosimilar Biologic Product**" is defined in Section 5.5.2(a).

1.20. "**Biosimilar Notice**" means a copy of any application submitted by a Third Party to the FDA under 42 U.S.C. § 262(k) of the PHS Act (or, in the case of a country of the Territory outside the United States, any similar law) for Regulatory Approval of a biological product, which application identifies a Licensed Product as the reference product with respect to such product, and other information that describes the process or processes used to manufacture the biological product.

1.21. "**Business Day**" means a day other than a Saturday, a Sunday or a day that is a national holiday in the United States.

1.22. "**Calendar Quarter**" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 or December 31, for so long as this Agreement is in effect.

1.23. "**Calendar Year**" means each successive period of twelve (12) calendar months commencing on January 1 and ending on December 31.

1.24. "**CAN Status**" means [***].

1.25. "**Change of Control**" means, with respect to a Party, (a) a merger, reorganization or consolidation of such Party with a Third Party which results in the voting securities of such Party outstanding immediately prior thereto ceasing to represent at least fifty (50%) of the combined voting power of the surviving entity immediately after such merger, reorganization or consolidation, (b) a Third Party becoming the beneficial owner of fifty (50%) or more of the combined voting power of the outstanding securities of such Party or (c) the sale or other transfer to a Third Party of all or substantially all of such Party's business or assets to which this Agreement relates.

1.26. "**Combination Product**" means a Licensed Product containing an Agreement PDC and one or more other therapeutically active ingredients or products. For clarity, a Payload conjugated into an Agreement PDC contained in a Licensed Product shall not be considered an additional therapeutically active ingredient or product for the purposes of determining whether such Licensed Product is a Combination Product under this Agreement.

1.27. "**Commercial License**" is defined in Section 4.1.3.

1.28. "**Commercialization**" or "**Commercialize**" means activities directed to marketing, promoting, distributing, importing, exporting, using for commercial purposes or selling or having sold a Licensed Product. Commercialization shall not include any activities related to Manufacturing or Development.

1.29. "**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 normally use to accomplish a similar objective under similar circumstances. With respect to any efforts relating to the Development, Regulatory Approval or Commercialization of an Agreement PDC or Licensed Product by a Party, generally or with respect to any particular country in the Territory, a Party will be deemed to have exercised Commercially Reasonable Efforts if such Party has exercised those efforts normally used by such Party, in the relevant country, with respect to a compound, product or product candidate, as applicable, owned or Controlled by such Party, or to which such Party has similar rights, which compound, product or product candidate is of similar market potential in such country, and is at a similar stage in its development or product life cycle as the Agreement PDC or Licensed Product, taking into account all relevant factors in effect at the time such efforts are to be expended. It is expressly understood that the use of Commercially Reasonable Efforts may result in ceasing the Development, Regulatory Approval or Commercialization of an Agreement PDC or Licensed Product. Further, to the extent that the performance of a Party's obligations hereunder is adversely affected by the other Party's failure to perform its obligations hereunder, the impact of such performance failure will be taken into account in determining whether such Party has used its Commercially Reasonable Efforts to perform any such affected obligations.

1.30. "**Confidential Information**" of a Party means all Know-How or other information, including proprietary information and materials (whether or not patentable) regarding such Party's technology, products, business or objectives, that is communicated in any way or form by the Disclosing Party to the Receiving Party, either prior to or after the Effective Date of this Agreement (including any information disclosed pursuant to the Confidentiality Agreement), and whether or not such Know-How or other information is identified as confidential at the time of disclosure. The terms and conditions of this

Agreement shall be deemed to be the Confidential Information of each Party. CytomX Improvements shall be deemed to be the Confidential Information of CytomX. Pfizer Improvements shall be deemed to be the Confidential Information of Pfizer. Confidential Information within the Developed IP conceived or generated in the course of performing Research Plan Activities with respect to a particular Research Plan Target shall be deemed to be the Confidential Information of both Parties until the earlier of expiration of the Option Period for such Research Plan Target or such time as such Research Plan Target ceases to be a Research Project Target for purposes of this Agreement; thereafter, Confidential Information within such Developed IP shall be deemed to be the Confidential Information of the Party owning such Developed IP or of both Parties in the case of Joint Developed IP, except that any such Confidential Information within the PDC Developed IP, upon assignment thereof to Pfizer pursuant to Section 6.1.1(d), shall be deemed to be the Confidential Information solely of Pfizer.

1.31. "**Confidentiality Agreement**" means that certain Confidentiality Agreement between the Parties dated July 27, 2012.

1.32. "**Control**" or "**Controlled**" means, with respect to any (a) item of information, including Know-How, or (b) intellectual property right, the possession (whether by ownership interest or license, other than pursuant to this Agreement) by a Party of the ability to grant to the other Party access to or a license under such item or right, as provided herein, without violating the terms of any agreement or other arrangements with any Third Party.

1.33. "**CytomX Improvement**" means [***].

1.34. "**CytomX Indemnified Party**" is defined in Section 10.2.

1.35. "**CytomX Insolvency Event**" means the occurrence of any of the following: (a) a case is commenced by or against CytomX under applicable bankruptcy, insolvency or similar laws, and is not dismissed within ninety (90) days, (b) CytomX files for or is subject to the institution of bankruptcy, reorganization, liquidation, receivership or similar proceedings, (c) CytomX assigns all or a substantial portion of its assets for the benefit of creditors, (d) a receiver or custodian is appointed for CytomX's business, (e) a substantial portion of CytomX's business is subject to attachment or similar process, or (f) anything analogous to any of the events described in the foregoing clauses (a) through (e) occurs under the laws of any applicable jurisdiction.

1.36. "**CytomX Know-How**" means any Know-How comprised in the CytomX Technology.

1.37. "**CytomX Letter**" is defined in Section5.5.2(c)(ii).

1.38. "**CytomX Patent Right**" means any Patent Right comprised in the CytomX Technology. The CytomX Patent Rights existing as of the Effective Date include those set forth on Schedule 8.2.3 attached hereto.

1.39. "**CytomX Proprietary Materials**" means biological materials (including any Probodies, Masks or Substrates) and other tangible research materials Controlled by CytomX and provided by CytomX to Pfizer under this Agreement.

1.40. "**CytomX Technology**" means any Patent Right, Know-How or other intellectual property right that is Controlled by CytomX or any Affiliate of CytomX as of the Effective Date or, subject to the provisions of Sections 5.5.2(c) and 9.10, that comes into the Control of CytomX or any Affiliate of CytomX at any time during the Term of this Agreement that claims, covers or is specifically directed to the composition of, or any method of using or method of making or any Tools for Developing, any Probody, Mask or Substrate.

1.41. "**CytomX Third Party Agreement**" means: (i) any agreement between, on the one hand, CytomX or its Affiliate and, on the other hand, a Third Party, existing as of the Effective Date under which CytomX obtains rights in or to any Licensed Intellectual Property; and (ii) any agreement between, on the one hand, CytomX or its Affiliate and, on the other hand, a Third Party, entered into after the Effective Date under which CytomX or its Affiliate obtains rights in or to any Licensed Intellectual Property to the extent such Agreement is referenced under Section 5.5.2(b) or is elected by Pfizer as a CytomX Third Party Agreement pursuant to Section 5.5.2(c).

1.42. "**CytomX Usable Developed IP**" is defined in Section 7.2.1.

1.43. "**Develop**" or "**Development**" means to discover, research or otherwise develop a product, including conducting any pre-clinical, non-clinical or clinical research and any drug development activity, including discovery, research, toxicology, pharmacology and other similar efforts, test method development and stability testing, manufacturing process development, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, clinical studies (including pre- and post-approval studies), development of diagnostic assays in connection with clinical studies, and all activities directed to obtaining any Regulatory Approval, including any marketing, pricing or reimbursement approval.

1.44. "**Developed IP**" means any Patent Right, Know-How or other intellectual property right, excluding CytomX Improvements and Pfizer Improvements, that is conceived or generated in the course of performing Research Plan Activities during the applicable Research Term (a) solely by or on behalf of employees, agents or independent contractors of CytomX or any of its Affiliates, (b) solely by or on behalf of employees, agents or independent contractors of Pfizer or any of its Affiliates or (c) jointly by or on behalf of (i) employees, agents or independent contractors of CytomX or any of its Affiliates and (ii) employees, agents or independent contractors of Pfizer or any of its Affiliates.

1.45. "**Development Milestone**" is defined in Section 5.4.1.

1.46. "**Development Milestone Payment**" is defined in Section 5.4.1.

1.47. "**Diligence Issue**" is defined in Section 3.2.4.

1.48. "**Disclosed Third Party Agreement**" is defined in Section 8.2.10.

1.49. "**Disclosing Party**" is defined in Section 7.1.

1.50. "**Effective Date**" is defined in the introduction to this Agreement.

1.51. "**EGFR**" means the Target corresponding to epidermal growth factor receptor, as more specifically described on Schedule 1.51.

1.52. "**EGFR Continuation Product**" means all Agreement PDCs Targeting EGFR that are or have been under Development or Commercialization by Pfizer under this Agreement at the time of or prior to termination of this Agreement.

1.53. "**EGFR PDC**" means any Agreement PDC incorporating an EGFR Probody.

1.54. "**EGFR Probody**" means the Probody described on Schedule 1.54 and any other Probody Targeting EGFR that is developed under the Research Plan for EGFR or otherwise provided to Pfizer hereunder and which shall be added to the Schedule 1.54.

1.55. "**EMA**" means the European Medicines Agency, or any successor agency thereto.

1.56. "**FD&C Act**" means the United States Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.), as amended, and the rules and regulations promulgated thereunder.

1.57. "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.58. "**Field**" means human and veterinary therapeutic, diagnostic, prophylactic and prognostic purposes.

1.59. "**First Commercial Sale**" means, with respect to any Licensed Product and any country of the world, the first sale of such Licensed Product under this Agreement by Pfizer, its Affiliates or its Sublicensees to a Third Party in such country, after such Licensed Product has been granted Regulatory Marketing Approval by the competent Regulatory Authorities in such country. When used without reference to a specified indication, First Commercial Sale means the First Commercial Sale for any indication.

1.60. "**FTE**" means a full time scientific equivalent person (with B.S., M.S. or Ph.D. level or equivalent degrees, including laboratory technicians with exams recognized according to European standards) year, consisting of a minimum of a total of [***] per year of scientific work directly related to and in support of the Research Program by an employee or natural person engaged as an independent contractor of CytomX or any of its Affiliates.

1.61. "**FTE Rate**" means [***].

1.62. "**GAAP**" means United States generally accepted accounting principles, consistently applied.

1.63. "**Generic Competition**" is defined in Section 5.5.2(a).

1.64. "**Governmental Authority**" means any court, agency, department, authority or other instrumentality of any national, state, county, city or other political subdivision.

1.65. "**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

1.66. "**IND**" means an Investigational New Drug Application, as defined in the FD&C Act, that is required to be filed with the FDA before beginning clinical testing of a Licensed Product in human subjects, or an equivalent foreign filing.

1.67. "**Indemnified Party**" is defined in Section 10.4.1.

1.68. "**Indemnifying Party**" is defined in Section 10.4.1.

1.69. "**Infringement**" is defined in Section 6.2.2(a).

1.70. "**Joint Developed IP**" is defined in Section 6.1.1(c).

1.71. "**Joint Patent Right**" is defined in Section 6.2.1(e).

1.72. "**Joint Research Committee**" or "**JRC**" is defined in Section 2.4.1.

1.73. "**Know-How**" means any proprietary invention, discovery, data, information, process, method, technique, material, technology, result or other know-how, whether or not patentable.

1.74. "**Liability**" is defined in Section 10.2.

1.75. "**Licensed Intellectual Property**" means any and all intellectual property (including Patent Rights and Know-How) Controlled by CytomX, including the CytomX Technology, the CytomX Improvements and CytomX's interest in the Developed IP, that is actually used by CytomX in developing Licensed Products under the applicable

Research Plan or that is otherwise necessary or useful for Pfizer to make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import, have imported and otherwise exploit and Commercialize Licensed Products. Notwithstanding the foregoing, Licensed Intellectual Property shall not include: (a) any Tools, or (b) any other intellectual property generated after the end of the applicable Research Term that is not Necessary for the Development or Commercialization of the Licensed Products.

1.76. "**Licensed Product**" means any product containing an Agreement PDC, which would infringe a Valid Claim of any Licensed Intellectual Property in the absence of the Commercial License or that is claimed or covered by, or was made using or otherwise incorporates, any Licensed Intellectual Property or Developed IP.

1.77. "**Linker**" means a moiety or means used to conjugate a Payload to an Antibody or Probody.

1.78. "**Litigation Conditions**" is defined in Section 10.4.2.

1.79. "**Major EU Market Country**" means any of [***].

1.80. "**Major Market Country**" means any [***].

1.81. "**Manufacturing**" or "**Manufacture**" means activities directed to making, producing, manufacturing, processing, filling, finishing, packaging, labeling, quality assurance testing and release, shipping or storage of a product.

1.82. "**Marginal Royalty Rates**" is defined in Section 5.5.

1.83. "**Mask**" means a peptide linked to an Antibody that is capable of inhibiting the specific binding of the Antibody to its Target.

1.84. "**Milestone Payment**" means any Development Milestone Payment or Sales Milestone Payment.

1.85. "**Necessary**" is defined in Section 5.5.2(b).

1.86. "**Net Sales**" means, with respect to a Licensed Product that is not a Combination Product, gross receipts from sales by Pfizer and its Affiliates and Sublicensees of such Licensed Product to Third Parties in the Territory, less in each case (i) bad debts, (ii) sales returns and allowances actually paid, granted or accrued, including trade, quantity and cash discounts and any other adjustments, including those granted on account of price adjustments, billing errors, rejected goods, damaged or defective goods, recalls, returns, rebates, chargeback rebates, reimbursements or similar payments granted or given to wholesalers or other distributors, buying groups, health care insurance carriers, chain pharmacies, mass merchandisers, staff model HMO's, pharmacy benefit managers or other institutions in respect of the purchase price, (iii) adjustments actually paid, granted or accrued arising from consumer discount programs or other similar programs,

(iv) customs or excise duties, sales tax, consumption tax, value added tax, and other taxes (except income taxes) or duties relating to sales, (v) any payment made by Pfizer, its Affiliates or Sublicensees in respect of sales to the United States government, any state government or any foreign government, or to any other Governmental Authority, or with respect to any government-subsidized program or managed care organization, and (vi) freight and freight insurance (to the extent that Pfizer bears the cost of freight and freight insurance for the Licensed Product), in each case in accordance with GAAP, as consistently applied by Pfizer with respect to sales of the Licensed Product (the deductions described above are referred to collectively herein as "Permitted Deductions"); and

1.86.1. in the event a Licensed Product is sold as a Combination Product in any country, the Net Sales of the Combination Product, for the purposes of determining royalty payments, shall be determined by multiplying the Net Sales (as defined above in this Section) of the Combination Product by the fraction, A/(A+B) where A is the weighted (by sales volume) average sale price in such country of the Licensed Product when sold separately in finished form, and B is the aggregate weighted (by sales volume) average sale price in such country of the other therapeutically active ingredients included in such Combination Product when sold separately in finished form. In the event that such average sale price cannot be determined for both the Licensed Product and the other product(s) included in the Combination Product, Net Sales for purposes of determining royalty payments shall be agreed by the Parties based on the relative value contributed by each component, such agreement not to be unreasonably withheld or delayed.

1.86.2. Sales between Pfizer and its Affiliates or Sublicensees shall be excluded from the computation of Net Sales and no payments will be payable on such sales except where such Affiliates or Sublicensees are end users, but Net Sales shall include the subsequent final sales to Third Parties by such Affiliates or Sublicensees. Net Sales shall be determined from books and records maintained in accordance with GAAP, as consistently applied by Pfizer with respect to sales of the Licensed Product.

1.86.3. The Parties acknowledge that Pfizer does not currently intend to Commercialize any Licensed Product solely for *in vivo* diagnostic purposes and that the Parties anticipate that any sales of any Licensed Product for such diagnostic purposes will occur only in connection with or in support of sales of a Licensed Product for therapeutic purposes. Notwithstanding the foregoing, in the event Pfizer, its Affiliates or Sublicensees Commercialize any Licensed Product for *in vivo* diagnostic purposes, sales of such Licensed Product for such diagnostic purposes shall be included in the calculation of Net Sales provided that Pfizer and CytomX will negotiate in good faith a reasonable royalty applicable to Net Sales of any such Licensed Product for such diagnostic purposes during the applicable Royalty Term, which royalty shall be no greater than the Marginal Royalty Rates

otherwise set forth for Licensed Products under this Agreement, and will negotiate any changes to the definition of the terms "Agreement PDC" or "Payload" necessary to cover the proposed Licensed Product for such diagnostic purposes if such Licensed Product does not contain a Payload.

1.87. "**Non-Disclosing Party**" is defined in Section 7.3.2.

1.88. "**Notice of Dispute**" is defined in Section 11.9.1.

1.89. "**Option**" is defined in Section 4.1.1.

1.90. "**Option Exercise Date**" is defined in Section 4.1.2.

1.91. "**Option Exercise Fee**" is defined in Section 5.2.

1.92. "**Option Period**" means, on a Research Project Target-by-Research Project Target basis, the period commencing on the Effective Date and expiring upon the earlier of (a) sixty (60) days following Pfizer's first designation of CAN Status for the first Agreement PDC Targeting such Research Project Target or (b) with respect to EGFR, the third (3rd) year anniversary of the Effective Date or, with respect to the Second Target or the **Replacement Target**, as the case may be, the fifth (5th) anniversary of the Effective Date, or (c) with respect to an Additional Target, the third (3rd) anniversary of the Additional Target Designation Date with respect to such Additional Target.

1.93. "**Party**" and "**Parties**" is defined in the introduction to this Agreement.

1.94. "**Patent Rights**" means any and all (a) patents, (b) pending patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisions and renewals, and all patents granted thereon, (c) all patents-of-addition, reissues, reexaminations and extensions or restorations by existing or future extension or restoration mechanisms, including patent term extensions, supplementary protection certificates or the equivalent thereof, (d) inventor's certificates, (e) any other form of government-issued right substantially similar to any of the foregoing and (f) all United States and foreign counterparts of any of the foregoing. The Patent Rights owned by either Party include any Patent Right assigned to such Party pursuant to the provisions of this Agreement.

1.95. "**Payload**" means a therapeutically active ingredient other than an Antibody.

1.96. "**PDC**" means a Probody conjugated to a Payload using a Linker.

1.97. "**PDC Developed IP**" means, with respect to a Research Project Target, Developed IP that is directed to the manufacture, composition or use of PDCs Targeting such Research Project Target.

1.98. "**Permitted Uses**" is defined in Section 7.2.1.

1.99. "**Person**" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, incorporated association, joint venture or similar entity or organization, including a government or political subdivision or department or agency of a government.

1.100. "**Pfizer**" is defined in the introduction to this Agreement.

1.101. "**Pfizer Diligence Obligation**" is defined in Section 3.2.3.

1.102. "**Pfizer Improvements**" means any [***].

1.103. "**Pfizer Indemnified Party**" is defined in Section 10.3.

1.104. "**Pfizer Know-How**" means any Know-How comprised in the Pfizer Technology.

1.105. "**Pfizer Linker**" means a Linker of which the composition, or any method of using or method of making, is Controlled by Pfizer or any Affiliate of Pfizer as of the Effective Date or that comes into the Control of Pfizer or any Affiliate of Pfizer at any time during the Term of this Agreement or is used in any Agreement PDC.

1.106. "**Pfizer Patent Right**" means any Patent Right comprised in the Pfizer Technology.

1.107. "**Pfizer Payload**" means a Payload of which the composition, or any method of using or method of making, is Controlled by Pfizer or any Affiliate of Pfizer as of the Effective Date or that comes into the Control of Pfizer or any Affiliate of Pfizer at any time during the Term of this Agreement or is used in any Agreement PDC.

1.108. "**Pfizer Proprietary Materials**" means any chemical, biological (including any Antibodies) and other tangible research materials Controlled by Pfizer and provided by Pfizer to CytomX under this Agreement.

1.109. "**Pfizer Quarter**" means each of the four thirteen week periods (a) with respect to the United States, commencing on January 1 of any Pfizer Year and (b) with respect to any country in the Territory other than the United States, commencing on December 1 of any Pfizer Year.

1.110. **"Pfizer Site-Specific Conjugation Technology"** means any Know-How or Confidential Information Controlled by Pfizer that is specifically directed to site-specific conjugation technology.

1.111. "**Pfizer Technology**" means [***].

1.112. "**Pfizer Year**" means the 12 month fiscal periods observed by Pfizer (a) commencing on January 1 with respect to the United States and (b) commencing on December 1 with respect to any country in the Territory other than the United States

1.113. "**Phase I Clinical Study**" means a study of a Licensed Product in human subjects or patients with the endpoint of determining initial tolerance, safety, metabolism or pharmacokinetic information and clinical pharmacology of such product as and to the extent defined for the United States in 21 C.F.R. § 312.21(a), or its successor regulation, or the equivalent regulation in any other country.

1.114. "**Phase II Clinical Study**" means a study of a Licensed Product in human patients to determine the safe and effective dose range in a proposed therapeutic indication as and to the extent defined for the United States in 21 C.F.R. § 312.21(b), or its successor regulation, or the equivalent regulation in any other country.

1.115. "**Phase III Clinical Study**" means a study of a Licensed Product in human patients with a defined dose or a set of defined doses of a Licensed Product designed to (a) ascertain efficacy and safety of such Licensed Product for its intended use; (b) define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed; and (c) support preparing and submitting applications for Regulatory Marketing Approval to the competent Regulatory Authorities in a country of the world, as and to the extent defined for the United States in 21 C.F.R.§ 312.21(c), or its successor regulation, or the equivalent regulation in any other country. Phase III Clinical Study shall also include any other human clinical trial serving as a pivotal study from which the data are actually submitted to the applicable Regulatory Authority in connection with a Regulatory Marketing Approval Application, whether or not such trial is called a "Phase III" study.

1.116. "**PHS Act**" means the United States Public Health Service Act, as amended, and the rules and regulations promulgated thereunder.

1.117. **"Probody"** means an Antibody linked to a Substrate and a Mask that is claimed or covered by CytomX Technology, where such Antibody is not conjugated to a Payload using a Linker.

1.118. "**Proposed Target Notice**" means a written notice provided by Pfizer to CytomX that includes a confidential written description of the proposed Target, including the Genbank accession number and the amino acid sequence for the proposed Target.

1.119. "**Proprietary Material**" means any CytomX Proprietary Material or Pfizer Proprietary Material.

1.120. "**Receiving Party**" is defined in Section 7.1.

1.121. "**Regulatory Approval**" means any technical, medical, scientific or other license, registration, authorization or approval of any Regulatory Authority (including any

approval of a New Drug Application or Biologic License Application) necessary for the Development, Manufacture or Commercialization of a pharmaceutical product in any regulatory jurisdiction.

1.122. "**Regulatory Approval Application**" means any application submitted to an appropriate Regulatory Authority seeking any Regulatory Approval.

1.123. "**Regulatory Authority**" means, with respect to any national, supra-national, regional, state or local regulatory jurisdiction, any agency, department, bureau, commission, council or other governmental entity involved in the granting of a Regulatory Approval for such jurisdiction.

1.124. "**Regulatory Marketing Approval**" means, with respect to any pharmaceutical product and any Indication, Regulatory Approval (including any supplement thereto) to sell such pharmaceutical product for such Indication, including, in any jurisdiction other than the United States, to the extent required for any sale in such country, all pricing and reimbursement approvals to be obtained from the Regulatory Authority granting such Regulatory Approval or any affiliated Regulatory Authority.

1.125. "**Regulatory Marketing Approval Application**" means any Regulatory Approval Application submitted to an appropriate Regulatory Authority seeking any Regulatory Marketing Approval.

1.126. **"Replacement Target"** is defined in Section 2.1.5.

1.127. "**Representatives**" is defined in Section 7.2.1.

1.128. "**Research Plan**" is defined in Section 2.3.1.

1.129. "**Research Plan Activities**" is defined in Section 2.3.2.

1.130. "**Research Plan Change**" is defined in Section 2.3.3.

1.131. "**Research Program**" is defined in Section 2.2.

1.132. "**Research Project**" is defined in Section 2.3.1.

1.133. "**Research Project Target**" means each of EGFR and the Second Target, provided that if the Second Target is replaced by a Replacement Target pursuant to Section 2.1.4, then such Replacement Target shall thereafter be a Research Project Target and the Second Target shall cease to be a Research Project Target for purposes of this Agreement, and further provided that upon election of an available Additional Target pursuant to Section 2.1.8, then such Additional Target shall be a Research Project Target as of the Additional Target Designation Date.

1.134. "**Research Term**" means, on a Research Project Target-by-Research Project Target basis, three (3) years from the applicable Target Designation Date, provided that Pfizer, upon written notice to CytomX at least three (3) months prior to the end of the then-current Research Term, shall have the right to extend the Research Term for each Research Project Target on a quarterly basis for up to an additional four (4) Calendar Quarters, but in no case beyond the date on which Pfizer files an IND with the applicable Regulatory Authority for a Licensed Product Targeting such Research Project Target.

1.135. "**Royalty Term**" means, on a Licensed Product-by-Licensed Product and country-by-country basis, the period of time from the First Commercial Sale of such Licensed Product in such country until the later of (i) the expiration of the last Valid Claim that would, but for the license to or ownership by Pfizer hereunder, be infringed by the import or sale of such Licensed Product in such country or (ii) the tenth (10^{th}) anniversary of the date of the First Commercial Sale of such Licensed Product in such country, but in the case of (ii), in no event later than the twentieth (20^{th}) anniversary of the earlier of the date of the First Commercial Sale of such Licensed Product in the United States or the date of the First Commercial Sale of such Licensed Product in any Major EU Market Country.

1.136. "**Sales Milestone**" is defined in Section 5.4.2.

1.137. "**Sales Milestone Payment**" is defined in Section 5.4.2.

1.138. "**Sales Threshold**" is defined in Section 5.4.2.

1.139. "**SEC**" means the United States Securities and Exchange Commission.

1.140. "**Second Target**" is defined in Section 2.1.3.

1.141. "**Second Target Designation Date**" is defined in Section 2.1.3.

1.142. "**Second Target Window**" is defined in Section 2.1.2.

1.143. "**Second Tumor Type**" means the second Tumor Type for the applicable Licensed Product in the applicable country.

1.144. "**Subcontractors**" is defined in Section 2.9.

1.145. "**Sublicensee**" means any Person to whom Pfizer grants or has granted, directly or indirectly, a sublicense or license of rights licensed or assigned by CytomX to Pfizer under this Agreement, in accordance with the provisions of this Agreement.

1.146. "**Substrate**" means a moiety that is linked to the Antibody and to the Mask of a Probody and is capable of being cleaved, reduced or photolysed.

1.147. "**Target**" means (a) a specific biological molecule that is identified by a GenBank accession number or similar information, or by its amino acid or nucleic acid sequence, (b) any naturally occurring mutant or allelic variant of a molecule disclosed in clause (a), including transcriptional and post-transcriptional isoforms (e.g., alternative splice variants), and post-translational modification variants (e.g., protein processing, maturation and glycosylation variants); and (c) truncated forms (including fragments thereof) which have a biological function substantially identical to that of any biological molecules disclosed in clause (a) or (b).

1.148. "**Target Designation Date**" means, (a) with respect to EGFR, the Effective Date, (b) with respect to the Second Target, the Second Target Designation Date, (c) with respect to a Replacement Target, such date as provided in Section 2.1.5 and (d) with respect to an Additional Target, the applicable Additional Target Designation Date.

1.149. "**Target Expansion Window**" is defined in Section 2.1.7.

1.150. "**Target Replacement Fee**" is defined in Section 2.1.5.

1.151. "**Targeting**" means, when used to describe the relationship between a molecule and a Target, that the molecule (a) selectively binds to the Target (or a portion thereof) and (b) is designed or being developed to exert its primary biological effect through binding to such Target (or such portion thereof).

1.152. "**Term**" is defined in Section 9.2.

1.153. "**Terminated Licensed Product**" is defined in Section 9.6.1(c).

1.154. "**Terminated Target**" is defined in Section 9.6.1.

1.155. "**Territory**" means the entire world.

1.156. "**Third Party**" means any Person other than Pfizer, CytomX or their respective Affiliates.

1.157. "**Third Party Claim**" is defined in Section 10.4.1.

1.158. "**Third Tumor Type**" means the third Tumor Type for the applicable Licensed Product in the applicable country.

1.159. "**Tools**" means [***].

1.160. "**Trademark**" means any trademark, trade dress, design, logo, slogan, house mark or name used in connection with the Commercialization of any Licensed Product by Pfizer or its Affiliates or Sublicensees hereunder, including any registration or application for registration of any of the foregoing.

1.161. "**Tumor Type**" means any oncological disease or condition. For clarity, a distinct form of cancer (e.g., breast cancer) shall be considered a separate Tumor Type from other distinct forms of cancer (e.g., ovarian cancer), provided that, distinct patient populations within a disease or condition shall not be considered separate Tumor Types. For the avoidance of doubt, the treatment of the same Tumor Type in a different patient population, or as a different line of therapy, shall not be deemed to be a separate Tumor Type for purposes of this Agreement.

1.162. "**UCSB**" means The Regents of the University of California Acting Through Its Santa Barbara Campus.

1.163. "**UCSB Agreement**" means that certain Amended and Restated License Agreement between UCSB and CytomX for UC Case No. 2003-460, et al., effective as of August 19, 2010, as the same may be amended from time to time.

1.164. "**Useful**" is defined in Section 5.5.2(b).

1.165. "**Valid Claim**" means, with respect to a particular country, (a) a claim of an issued and unexpired patent right included within the [***] that (i) has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental authority of competent jurisdiction, which decision is unappealed or unappealable within the time allowed for appeal, and (ii) has not been cancelled, withdrawn, abandoned, disclaimed or admitted to be invalid or unenforceable through reissue, disclaimer or otherwise; or (b) a bona fide claim of a pending patent application included within the [***] that has not been (i) cancelled, withdrawn or abandoned without being refiled in another application in the applicable jurisdiction or (ii) finally rejected by an administrative agency action from which no appeal can be taken or that has not been appealed within the time allowed for appeal, provided that any claim in any patent application pending for more than [***] years from the earliest date on which such patent application claims priority shall not be considered a Valid Claim for purposes of the Agreement from and after such [***] year date unless and until a patent containing such claim issues from such patent application and solely if such patent issues while another Valid Claim covers the relevant Licensed Product in the relevant country.

1.166. **Construction**. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa), (b) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation," (c) the word "will" shall be construed to have the same meaning and effect as the word "shall," (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (e) any reference herein to any Person shall be construed to include the Person's successors and assigns, (f) the words "herein", "hereof" and

"hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to sections or exhibits shall be construed to refer to sections or exhibits of this Agreement, and references to this Agreement include all exhibits hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, (k) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), and (l) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "and/or."

2. RESEARCH PROGRAM.

2.1. **Selection of Research Project Targets**.

2.1.1. **Research Project Targets**. Pfizer hereby designates EGFR as the Research Project Target for the first Research Project.

2.1.2. **Designation of a Second Research Project Target**. Pfizer shall have a one-time right to nominate a second Research Project Target, exercisable upon written notice to CytomX, at any time prior to [***] ("**Second Target Window**") of the Effective Date, subject to availability of such Target as specified in Section 2.1.3.

2.1.3. **Availability of Second Target.** During the Second Target Window, if Pfizer desires to nominate a second Target, Pfizer shall provide CytomX with a Proposed Target Notice (each such proposed Target, a "**Second Target**"). Within [***] following CytomX's receipt of such Proposed Target Notice, CytomX shall notify Pfizer in writing whether the exclusive Commercial License described in Section 4.1.3 of this Agreement is Available with respect to such Second Target as of CytomX's receipt of such Proposed Target Notice, including, if such Target is not Available, a written explanation of the reason therefor in accordance with Section 1.16, including a certification pursuant to Section 1.16(c), as applicable. To the extent such exclusive Commercial License is Available, then such Second Target shall automatically be considered a Research Project Target on the date CytomX so notifies Pfizer (such date, the "**Second Target Designation Date**" for such Second Target), and the Parties shall adopt a Research Plan for such Second Target in accordance with Section 2.3.1.

2.1.4. **Target Replacement Right**. If the Second Target Designation Date is on or before [***] of the Effective Date, Pfizer shall have a one-time right to replace the Second Target, if such Second Target has become a Research Project Target, with a Replacement Target, exercisable upon written notice to CytomX, at any time prior to [***] ("**Replacement Window**") of the Effective Date, subject to availability of such Target and payment of the Target Replacement Fee, if applicable, as specified in Section 2.1.5. For clarity, Pfizer shall have no right to replace the Second Target with a Replacement Target if the Second Target Designation Date is after [***] of the Effective Date.

2.1.5. **Availability of Replacement Target**. During the Replacement Window, if Pfizer desires to replace the Second Target with another Target, Pfizer shall provide CytomX with a Proposed Target Notice for the Target with which it desires to replace the Second Target (each such proposed Target, a "**Replacement Target**"). Within [***] following CytomX's receipt of such Proposed Target Notice, CytomX shall notify Pfizer in writing whether the exclusive Commercial License described in Section 4.1.3 of this Agreement is Available with respect to such Replacement Target as of CytomX's receipt of such Proposed Target Notice, including, if such Target is not Available, a written explanation of the reason therefor in accordance with Section 1.16, including a certification pursuant to Section 1.16(c), as applicable. To the extent such exclusive Commercial License is Available, then such Replacement Target shall automatically be considered a Research Project Target on the date CytomX so notifies Pfizer (such date, the "**Target Designation Date**" for such Replacement Target), subject to payment of a replacement fee in the amount of [***] (the "**Target Replacement Fee**") if such Target Designation Date is more than [***] after the Effective Date, due within [***] after such Target Designation Date, the Second Target shall thereupon cease to be a Research Project Target for all purposes under this Agreement and the Parties shall adopt a Research Plan for such Replacement Target in accordance with Section 2.3.1.

2.1.6. Exclusivity of Research Project Targets. During the Option Period for each Research Project Target, neither CytomX nor any of its Affiliates shall (a) grant, or seek to grant, any right under any CytomX Technology or Developed IP to any Third Party with respect to such Research Project Target or (b) use any CytomX Technology or Developed IP to Develop (itself or through or with a Third Party) (x) Probodies Targeting such Research Project Target other than EGFR or (y) PDCs Targeting any Research Project Target.

2.1.7. **Additional Targets**. Pfizer shall have the right to add up to two (2) additional Targets (in addition to the Second Target and any Replacement Target designated pursuant to Sections 2.1.3 and 2.1.5, respectively), exercisable upon

written notice to CytomX, at any time prior to the [***] ("**Target Expansion Window**") of the Effective Date, subject to availability of such Target and payment of the Additional Target Fee, if applicable, as specified in Section 2.1.8.

2.1.8. **Availability of Additional Target.** During the Target Expansion Window, if Pfizer desires to add an additional Target, Pfizer shall provide CytomX with a Proposed Target Notice (each such proposed Target, an "**Additional Target**"). Within [***] following CytomX's receipt of such Proposed Target Notice, CytomX shall notify Pfizer in writing whether the exclusive Commercial License described in Section 4.1.3 of this Agreement is Available with respect to such Additional Target as of CytomX's receipt of such Proposed Target Notice, including, if such Target is not Available, a written explanation of the reason therefor in accordance with Section 1.16, including a certification pursuant to Section 1.16(c), as applicable. To the extent such exclusive Commercial License is Available, then such Additional Target shall automatically be considered a Research Project Target on the date CytomX so notifies Pfizer (such date, the "**Additional Target Designation Date**" for such Additional Target), subject to payment of an additional target fee in the amount of one million five hundred thousand dollars ($1,500,000.00) per Additional Target (the "**Additional Target Fee**"), due within [***] after such Target Designation Date, and the Parties shall adopt a Research Plan for such Additional Target in accordance with Section 2.3.1, which plan shall specify any additional FTE support to be provided by Pfizer to CytomX in support of the Research Plan, which support upon agreement of the Parties may be in excess of the [***] FTE limit set forth in Section 5.3.1.

2.2. **Scope and Conduct of the Research Program**. Under the terms and conditions set forth herein, CytomX and Pfizer shall collaborate to conduct discovery and pre-clinical Development activities to generate and validate Agreement Probodies and generate Agreement PDCs to the Research Project Targets (the "**Research Program**"). The Research Program shall be conducted in accordance with the Research Plan for each Research Project (as more fully provided in Section 2.3 below), and each Party shall use its Commercially Reasonable Efforts to perform all activities assigned to it and fulfill all of its obligations under each Research Plan. In addition, each Party shall conduct its activities under the Research Plan(s) in accordance with Applicable Law.

2.3. **Research Plans**.

2.3.1. **Adoption of Research Plans**. The Parties shall adopt a research plan (each a "**Research Plan**") for each Research Project Target; a "**Research Project**" shall mean the work to be performed pursuant to such a Research Plan. The Research Plan for EGFR is attached as Exhibit 2.3.1. The Research Plan for any other Research Project Target shall be prepared by the JRC and adopted within [***] of the Target Designation Date for such Research Project Target by the JRC, including in the case of a Second Target, Replacement Target or Additional Target, as applicable. Each Research Plan shall reference this Agreement and

shall be subject to all of the provisions of this Agreement, in addition to the specific details set forth in such Research Plan. To the extent any provisions of a Research Plan conflict or are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control. Unless otherwise expressly stated in a Research Plan, the provisions of each Research Plan shall be independent of and shall not affect the provisions of any other Research Plan. If the Parties are unable to agree on a Research Plan within the specified time period, the JRC may specify the Research Plan, and all disputes regarding the preparation or modification of any Research Plan (including the approval of any Research Plan Change) shall be resolved by the JRC; provided, however, that unless the Parties agree in writing, in no case will a Research Plan impose any financial obligations on a Party to this Agreement that, in aggregate, exceed the financial obligations set forth in this Agreement.

2.3.2. **Responsibilities**. Each Research Plan shall set forth the services and the obligations and responsibilities assigned to each Party under the corresponding Research Project (collectively the "**Research Plan Activities**"), and shall include the following minimum terms:

(a) For each Research Project Target other than EGFR, Pfizer shall provide Antibodies Targeting the applicable Research Project Target, which CytomX will use to generate Probodies that Target such Research Project Target. For each Research Project, CytomX will support the construction, expression and purification of all Agreement Probodies.

(b) CytomX will investigate and validate each Agreement Probody in accordance with the applicable Research Plan.

(c) Pfizer will conjugate the Agreement Probodies to Linkers and Payloads using the Pfizer Technology to generate Agreement PDCs.

(d) Pfizer will perform in vivo modeling and IND-enabling studies with respect to Agreement PDCs.

2.3.3. **Changes in Research Plans**. A Research Plan may be amended by a written amendment (a "**Research Plan Change**") to such Research Plan. Proposed Research Plan Changes shall be prepared in writing by the JRC and shall be subject to review and approval by the JRC. Each Research Plan Change shall set forth the agreed changes to the applicable task, protocol, specifications, responsibility, budget, timeline or other matter; provided that in no case will a Research Plan Change reduce the number of FTEs assigned to such Research Plan except in accordance with Section 5.3.1. As used in this Agreement, a Research Plan will be deemed to include any Research Plan Changes with respect thereto. Each Research Plan Change shall reference this Agreement and the Research Plan it relates to and shall be subject to the provisions of this Agreement. To the extent

any provisions of a Research Plan Change conflict or are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control. All Research Plan Changes shall be incorporated herein by reference and form a part hereof.

2.4. **Governance of the Research Program**.

2.4.1. **Formation of the Joint Research Committee**. CytomX and Pfizer shall establish a "**Joint Research Committee**" (or "**JRC**") to oversee and coordinate the activities of the Parties under this Agreement in regard to the Research Program. The JRC shall also serve as a forum to facilitate communications between the Parties regarding the Research Program. The JRC shall be comprised of three (3) representatives from each Party as appointed by such Party, with such representatives possessing appropriate expertise and seniority to carry out the Research Projects. The JRC may change its size from time to time by mutual consent of its members. A Party may replace one or more of its representatives from time to time upon written notice to the other Party. The initial members of the JRC will be: [***]. The JRC shall exist until expiration of the last to expire Option Period, unless the Parties otherwise agree in writing.

2.4.2. **Co-Chairpersons and Secretary of the Joint Research Committee**. Each Party shall designate a co-chairperson of the JRC, and a secretary of the JRC shall be designated in accordance with Section 2.5 below. A Party may change the designation of its co-chairperson from time to time upon written notice to the other Party. The co-chairpersons shall be responsible for scheduling meetings of the JRC, preparing agendas for meetings and sending to all JRC members notices of all regular meetings and agendas for such meetings at least five (5) Business Days before such meetings. The co-chairpersons shall solicit input from both Parties regarding matters to be included on the agenda, and any matter either Party desires to have included on the agenda shall be included for discussion. Nothing herein shall be construed to prohibit the JRC from discussing or acting on matters not included on the applicable agenda. The secretary shall record the minutes of the meeting, circulate copies of meeting minutes to the Parties and each JRC member promptly following the meeting for review, comment and approval by the JRC members and finalize approved meeting minutes. The co-chairpersons shall be members of the JRC but the secretary need not be a member of the JRC. The initial co-chairpersons shall be: [***].

2.4.3. **Meetings**. The JRC shall meet at least once each Calendar Quarter until it has been terminated in accordance with Section 2.4.1 at dates and times mutually agreed by the JRC, unless otherwise mutually agreed by the Parties. The initial meeting of the JRC shall be held within thirty (30) days after the Effective Date. Either Party may call a special meeting of the JRC on fifteen (15) days written notice to the other Party's members of the JRC (or upon such shorter notice as exigent circumstances may require). Such written notice shall include an agenda

for the special meeting. In-person meetings, including special meetings, of the JRC shall alternate between the offices of the Parties, unless otherwise agreed upon by the members of the JRC. Meetings of the JRC may be held telephonically or by video conference; provided, however, that at least two (2) meetings per year shall be held in-person. Meetings of the JRC shall be effective only if at least one (1) representative of each Party is in attendance or participating in the meeting. Members of the JRC shall have the right to participate in and vote at meetings held by telephone or video conference. In addition, the JRC may act on any matter or issue without a meeting if it is documented in a written consent signed by each member of the JRC.

2.4.4. **Responsibilities of the Joint Research Committee**. The JRC shall be responsible for (a) planning and supervising research and development under this Agreement, including establishing, reviewing and recommending modifications and updates to the Research Plans; (b) receiving and reviewing all data and other information obtained by either Party in connection with the Research Program and monitoring and reporting to the Parties on activities conducted pursuant to the Research Plans; (c) documenting and approving initiation and completion of each Research Project; (d) evaluating FTE requirements for the performance of the Research Plans; and (e) such other functions as expressly specified hereunder or as agreed by the Parties.

2.4.5. **Decisions by Consensus**. All decisions of the JRC shall be made by unanimous agreement of both Parties' representatives, with each Party having a single vote, irrespective of the number of JRC representatives in attendance at a meeting. If the JRC cannot or does not reach unanimous agreement on a matter within the purview of the JRC, then Pfizer shall have the deciding vote on such matter; provided, however, that if a Party so requests, the designated officers of the Parties shall meet to attempt to resolve such matter in accordance with Section 11.9.4, except that, notwithstanding anything in Section 11.9, if such officers are unable to resolve such matter in ten (10) Business Days, then the matter shall be returned to the JRC and Pfizer's vote shall be deemed final.

2.5. **Alliance Managers**. In addition to the foregoing governance provisions, each of the Parties shall appoint a single individual to serve as that Party's alliance manager ("**Alliance Manager**"). The role of each Alliance Manager will be to participate and otherwise facilitate the relationship between the Parties as established by this Agreement. A Party may replace its Alliance Manager from time to time upon written notice to the other Party.

2.6. **Conformance with Law**. Each Party shall perform and discharge its obligations under this Agreement and the Research Program in conformance with (a) professional standards and practices, (b) this Agreement and the Research Plan(s) and (c) all Applicable Laws. Without limiting the generality of the foregoing, each Party shall retain all records relating to its performance of this Agreement and the Research Plan(s) for the time periods required by Applicable Laws.

2.7. **CytomX Personnel Matters**. CytomX acknowledges and agrees that it is solely responsible for the compensation of the personnel assigned to the Research Plan Activities, and shall be responsible for withholding all national, state, local or other applicable taxes and similar items for such personnel. CytomX also shall be responsible for all other employer related obligations, including providing appropriate insurance coverage and employee benefits, and making all other deductions required by law affecting the gross wages of each employee. CytomX personnel assigned to the Research Plan Activities are not nor shall they be deemed to be employees of Pfizer.

2.8. **Debarment Certification**. Neither Party nor any Person employed or retained to perform services by either Party has been debarred under Section 306(a) or (b) of the FD&C Act or any comparable provision of foreign law and no debarred Person shall in the future be employed or retained to perform services by either Party in connection with any work to be performed for or on behalf of the other Party. If, at any time after execution of this Agreement, either Party becomes aware that such Party or any Person employed or retained to perform services by such Party in connection with any work performed for or on behalf of such Party is, or is in the process of being, debarred, such Party shall so notify the other Party immediately.

2.9. **Subcontractors**. Except for natural persons engaged as independent contractors providing services as an FTE to CytomX, neither CytomX nor its Affiliate may engage any contractor, subcontractor or other vendor (a "**Subcontractor**") to perform any Research Plan Activities or Research Program activities without Pfizer's prior written consent. CytomX shall be responsible for the management of all permitted Subcontractors. The engagement by CytomX or its Affiliate of any Subcontractor in compliance with this Section 2.9 shall not relieve CytomX of its obligations under this Agreement or any applicable Research Plan. Any agreement between CytomX or its Affiliate and a permitted Subcontractor pertaining to the Research Plan Activities shall be consistent with the provisions of this Agreement. Furthermore, as provided in Section 8.3.3, unless otherwise agreed by Pfizer in writing, prior to or at the time of engagement of any Subcontractor to perform any obligations hereunder, CytomX or its Affiliate shall cause such Subcontractor to agree in writing to be bound by terms providing for Pfizer rights no less favorable to Pfizer than the rights granted to Pfizer in this Agreement.

2.10. **Inspections**. Pfizer authorized representative(s), and Regulatory Authorities to the extent required by law and applicable to the scope of the Research Plan Activities performed, may, during regular business hours and, to the extent legally possible, at times arranged in advance with CytomX, audit, inspect and copy all data, records and written work products, and audit and inspect all CytomX facilities used in the performance of the Research Plan Activities, to the extent relating to the Research Plan Activities and CytomX's performance under this Agreement and the applicable Research Plan(s) (including all data, records, written work products and facilities of Subcontractors).

2.11. **Records**. Each Party shall prepare, maintain and retain complete and accurate written records, accounts, notes, reports and data of the Research Plan Activities and its performance under this Agreement and the Research Plan(s), in a form and of quality reasonably acceptable to both Parties. All such information, to the extent it specifically pertains to Agreement PDCs, shall be treated as Confidential Information of Pfizer for the purpose of this Agreement, for clarity, not including CytomX Improvements.

2.12. **Transfer and Use of Proprietary Materials**.

2.12.1. **Transfer**. From time to time, pursuant to a Research Plan, or otherwise, Pfizer may provide CytomX with Pfizer Proprietary Materials and CytomX may provide Pfizer with CytomX Proprietary Materials. Each Party's Proprietary Materials are provided by such Party on an "as-is" basis without representation or warranty of any type, express or implied, including any representation or warranty of merchantability, non-infringement, title or fitness for a particular purpose, each of which is hereby disclaimed by such providing Party.

2.12.2. **Use of Proprietary Materials**. Each Party shall use the other Party's Proprietary Materials solely in connection with conducting the specific activities under this Agreement for which such other Party's Proprietary Materials are provided to the receiving Party, including, if applicable, the provisions of any specific Research Plan under which such Proprietary Materials are provided, and for no other purpose. Without limiting the generality of the foregoing, except as expressly set forth in this Agreement or in any applicable Research Plan, neither Party shall make or attempt to make analogues, progeny or derivatives of, or modifications to, the Pfizer Proprietary Materials or CytomX Proprietary Materials, as the case may be, using the other Party's Confidential Information or the tangible materials provided by the other Party, and each Party shall not use the other Party's Proprietary Materials for the benefit of any Third Party or of its own internal research programs outside of the Research Program; provided that after exercising the Option with respect to a Research Project Target pursuant to Section 4.1.2, Pfizer may use CytomX Proprietary Materials related to such Research Project Target to the extent assigned or licensed to Pfizer. CytomX shall not administer any of the Pfizer Proprietary Materials to any human. Each Party shall comply with all Applicable Laws regarding the handling and use of the other Party's Proprietary Materials. Each Party agrees to retain possession over the other Party's Proprietary Materials and not to provide the other Party's Proprietary Materials to any Third Party without the providing Party's prior written consent, except as required to perform the Research Program.

2.12.3. **Unauthorized Use of Materials**. In the event that either Party uses the other Party's Proprietary Materials for any purpose other than the purposes authorized herein, the results of such unauthorized research, and any discoveries or inventions that arise from such unauthorized research, whether patentable or not, shall belong solely and exclusively to the Party providing its Proprietary

Materials. If required in order to perfect or enforce a Party's ownership of such results, discoveries or inventions, each hereby assigns and agrees to assign to the other Party all of its right, title and interest in and to all such results, discoveries or inventions made through unauthorized research with the other Party's Proprietary Materials. Each Party agrees to cooperate with the other Party, and to execute and deliver any and all documents that the providing Party reasonably deems necessary, to perfect and enforce its rights hereunder.

2.12.4. **Title to Proprietary Materials**. All right, title and interest in the Pfizer Proprietary Materials shall remain the sole property of Pfizer notwithstanding the transfer to and use by CytomX of the same. Except as provided in Section 6.1.1(d), all right, title and interest in the CytomX Proprietary Materials shall remain the sole property of CytomX notwithstanding the transfer to and use by Pfizer of the same.

2.12.5. **Return of Proprietary Materials**. Upon completion of the activities for which the Pfizer Proprietary Materials have been provided, or upon expiration or termination of this Agreement or the applicable Research Plan, if earlier, CytomX shall, at Pfizer's option, either destroy or return to Pfizer all unused Pfizer Proprietary Materials, provided that if any materials provided by Pfizer to CytomX include both CytomX Proprietary Materials and Pfizer Proprietary Materials, then such materials shall be destroyed. Upon completion of the activities for which the CytomX Proprietary Materials have been provided, or upon expiration or termination of this Agreement or the applicable Research Plan, if earlier, Pfizer shall, at CytomX's option, either destroy or return to CytomX all unused CytomX Proprietary Materials, provided that if any materials provided by CytomX to Pfizer include both CytomX Proprietary Materials and Pfizer Proprietary Materials, then such materials shall be destroyed. For clarity, however, the foregoing obligation shall not apply to Agreement Probodies Targeting a Research Project Target for which Pfizer exercises its Option.

3. PRODUCT DEVELOPMENT, MANUFACTURING, COMMERCIALIZATION AND REGULATORY MATTERS.

3.1. **General**. Except as expressly set forth in Article 2, and subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, Pfizer shall have sole authority over and control of the Development, Manufacture and Commercialization of Licensed Products Targeting such Research Project Target, and shall bear all costs associated with such Development, Manufacture and Commercialization.

3.2. **Diligence**.

3.2.1. **Development Diligence**. Pfizer will use Commercially Reasonable Efforts to Develop (including to seek Regulatory Approval for) at least one (1) Licensed

Product in one (1) Major Market Country for each Research Project Target for which Pfizer exercises its Option. Except as provided in Section 2.2 and this Section 3.2.1, Pfizer will have no other diligence obligations with respect to the Development or Regulatory Approval of Licensed Products under this Agreement. For avoidance of doubt, any actions taken by Pfizer's Affiliates or Sublicensees under this Agreement shall be treated as actions taken by Pfizer in regard to satisfaction of the requirements of this Section 3.2.1.

3.2.2. **Commercial Diligence**. Subject to Pfizer exercising an Option pursuant to Section 4.1.2, on a Research Project Target-by-Research Project Target basis, Pfizer will use Commercially Reasonable Efforts to Commercialize one (1) Licensed Product in one (1) Major Market Country in the Field for one (1) Tumor Type where Pfizer has received Regulatory Approval for such Licensed Product in such country. Pfizer will have no other diligence obligations with respect to the Commercialization of Licensed Products under this Agreement. For avoidance of doubt, any actions taken by Pfizer's Affiliates or Sublicensees under this Agreement shall be treated as actions taken by Pfizer in regard to satisfaction of the requirements of this Section 3.2.2.

3.2.3. **Exceptions to Diligence Obligations**. Notwithstanding any provision of this Agreement to the contrary, Pfizer will be relieved from and will have no obligation to undertake any efforts with respect to any diligence obligation under Section 3.2.1 or Section 3.2.2 with respect to a given Agreement PDC or Licensed Product (each, a "Pfizer Diligence Obligation") in the event that:

(a) Pfizer or CytomX receives or generates any safety, tolerability or other data reasonably indicating or signaling, as measured by Pfizer's safety and efficacy evaluation criteria and methodology, that an Agreement PDC or a Licensed Product has or would have an unacceptable risk-benefit profile or is otherwise not reasonably suitable for initiation or continuation of clinical trials in humans;

(b) Pfizer or CytomX receive any notice, information or correspondence from any applicable Regulatory Authority, or any applicable Regulatory Authority takes any action, that reasonably indicates that a Licensed Product is unlikely to receive Regulatory Approval; or

(c) CytomX materially breaches any of its Development or other obligations under a Research Plan or this Agreement related to such Licensed Product upon which performance of the applicable Pfizer Diligence Obligation is dependent.

3.2.4. **Assertion of Pfizer Diligence Obligation Claims**. If CytomX is, becomes or reasonably should be aware of facts that might form a reasonable basis to allege that Pfizer has failed to meet any Pfizer Diligence Obligation, then CytomX will promptly notify Pfizer in writing of such potential alleged performance failure (each such potential alleged performance failure, a "**Diligence Issue**"). Promptly upon Pfizer's receipt of any notice of a Diligence Issue pursuant to this Section 3.2.4, the Pfizer Alliance Manager will contact the CytomX Alliance Manager to discuss the specific nature of such Diligence Issue and seek to identify an appropriate corrective course of action. If, no later than [***] after Pfizer's receipt of such a notice, (a) the Parties have not reached consensus regarding whether Pfizer has failed to satisfy the Pfizer Diligence Obligations and (b) the Parties' respective Alliance Managers have not agreed upon an appropriate corrective course of action for such Diligence Issue, then such Diligence Issue will be escalated and resolved pursuant to the dispute resolution provisions set forth in Section 11.9. If CytomX fails to notify Pfizer of a Diligence Issue pursuant to this Section 3.2.4 within [***] after the date on which CytomX receives the minutes of the JRC meeting or the written report provided under Section 3.6.2, as applicable, on which the alleged Diligence Issue is based, then Pfizer will be deemed to have satisfied its Diligence Obligations with respect to such Diligence Issue.

3.2.5. **Remedies for Breach of Pfizer Diligence Obligations**. If Pfizer materially breaches any Pfizer Diligence Obligation and fails to remedy such breach within [***] of Pfizer's receipt of notice of such breach from CytomX, then CytomX may, in its sole discretion, elect to either (a) terminate this Agreement pursuant to the provisions of Section 9.3 on a Licensed Product-by-Licensed Product and country-by-country basis, but only to the extent that a Licensed Product in a given country in the Territory is directly and adversely impacted by such uncured material breach or (b) convert any exclusive licenses granted to Pfizer under this Agreement with respect to a Licensed Product in a given country in the Territory into non-exclusive licenses, but only to the extent that such Licensed Product in such country is directly and adversely impacted by such uncured material breach. CytomX acknowledges and agrees that the elections set forth in this Section 3.2.5 (i) have been negotiated by the Parties to fully address any harm that CytomX may incur as a result of Pfizer's material breach of any Pfizer Diligence Obligation and (ii) constitute CytomX's sole and exclusive remedies with respect to any breach by Pfizer of the Pfizer Diligence Obligations.

3.3. **Regulatory Approvals**. Subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, Pfizer or its designated Affiliate(s) shall file, in its own name, all Regulatory Approval applications for Licensed Products Targeting such Research Project Target where Pfizer, in its sole discretion, determines it is commercially advantageous to do so. Pfizer, or its designated Affiliate(s), shall have the sole responsibility for, and sole authority with respect to, communications with any Regulatory Authority regarding any Regulatory Approval Application or any Regulatory Approval for a Licensed Product once granted. Except to the extent necessary to fulfill its obligations under Section 3.2.1, neither Pfizer nor any of its Affiliates shall have any obligation to seek Regulatory Approval for any Licensed Product.

3.4. **Control of Commercialization Activities**. Subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2:

3.4.1. **General**. Pfizer shall have sole and exclusive control over all matters relating to the Commercialization of Licensed Products Targeting such Research Project Target; and

3.4.2. **Trademarks**. Pfizer shall select and own all Trademarks used in connection with the Commercialization of any such Licensed Products, including all goodwill associated therewith. Neither CytomX nor its Affiliates shall use or seek to register, anywhere in the world, any trademarks which are confusingly similar to any Trademarks used by or on behalf of Pfizer, its Affiliates or Sublicensees in connection with any Licensed Product. Nothing in this Section 3.4.2 shall be construed to prevent CytomX from granting Pfizer any license or right in and to any trademark, trade dress, design, logo, slogan, house mark or name Controlled by CytomX.

3.5. **Manufacturing**. Subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, Pfizer shall have the exclusive right to Manufacture Licensed Products Targeting such Research Project Target itself or through one or more Affiliates or Third Parties selected by Pfizer for both clinical purposes and for Commercialization of such Licensed Product. Pfizer shall have no diligence obligations with respect to the Manufacture of Licensed Products except to the extent necessary to fulfill the Pfizer Diligence Obligations. For the avoidance of doubt, CytomX shall retain the right to manufacture any EGFR Probody other than for incorporation in a PDC.

3.6. **Progress Reporting**.

3.6.1. During the Research Term and thereafter, until the last-to-expire Option Period for each applicable Research Project Target, Pfizer shall keep the JRC reasonably informed of its progress in researching and Developing Agreement PDCs Targeting such Research Project Target.

3.6.2. After Pfizer's exercise of the Option with respect to an applicable Research Project Target, Pfizer shall provide CytomX with [***] written report with respect to EGFR, and [***] written report with respect to any other Research Project Target, and update on Pfizer's activities to Develop or Commercialize Licensed Products Targeting such Research Project Target, and, upon CytomX's request, [***] per Calendar Year, the Parties agree to meet, such meeting to be held at a mutually agreed upon time, location and meeting method, within [***]

after CytomX's request, to discuss such report and updates. Any information or written report provided by Pfizer to CytomX pursuant to this Section 3.6 shall be deemed to be Pfizer's Confidential Information subject to the provisions of Article 7.

3.7. **Regulatory Information**. To the extent either Party receives a communication or request for information from a Regulatory Authority that pertains to an EGFR Probody and the receiving Party reasonably believes that (a) such communication has or could have an impact on an EGFR Probody that the other Party currently has in Development or (b) information or data being developed by such other Party could be necessary or useful to the receiving Party in responding to such communication or request for information, then such receiving Party shall notify the other Party of such communication or request, which may include, at the receiving Party's discretion, a copy of such communication or request redacted, if necessary, to omit information not pertaining to such EGFR Probody, and such other Party shall promptly respond and provide reasonable assistance to the receiving Party in responding to such communication or request for information. For the avoidance of doubt, any such communication or request provided or disclosed in any form to such other Party shall be, subject to the provisions of Article 7, treated as Confidential Information of the providing Party.

4. LICENSES AND RELATED GRANTS OF RIGHTS.

4.1. **Grants to Pfizer**.

4.1.1. **Research License and Option Grants**. Subject to the terms and conditions of this Agreement and during the Research Term with respect to each Research Project Target, CytomX hereby grants to Pfizer and its Affiliates (a) a non-exclusive, worldwide, sublicensable, royalty-free license under the Licensed Intellectual Property to perform the activities assigned to Pfizer under the applicable Research Plan, and (b) during the applicable Option Period, an exclusive option (each, an "**Option**") to obtain the Commercial License with respect to Licensed Products Targeting such Research Project Target as set forth in Section 4.1.3.

4.1.2. **Exercise of Option**. On a Research Project Target-by-Research Project Target basis, the Options granted to Pfizer under Section 4.1 may be exercised by Pfizer at any time during the applicable Option Period by providing CytomX with written notice of its election to so exercise the Option(s), together with payment of the applicable Option Exercise Fee (the date of any such Option exercise, the "**Option Exercise Date**"). If Pfizer does not exercise the Option with respect to any Research Project Target in the applicable Option Period, then the Target shall no longer be considered a Research Project Target, and any Probody Targeting such Research Project Target shall no longer be considered an Agreement Probody, without limiting CytomX's obligations under Article 7. Upon the exercise of an Option as provided in this Section 4.1.2, if Pfizer believes that a

filing under the HSR Act is necessary, Pfizer shall promptly inform CytomX and each Party shall make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the exercise of such Option as promptly as practicable and shall supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and use Commercially Reasonable Efforts to take, or cause to be taken, all other actions necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act (including any extensions thereof) as soon as practicable, including keeping the other Party informed in all material respects and on a reasonably timely basis of any material communication received by such Party from, or given by such Party to, the Federal Trade Commission, the Antitrust Division of the Department of Justice or any other Governmental Authority in connection therewith.

4.1.3. **Commercial License**. Subject to the terms and conditions of this Agreement, on a Research Project Target-by-Research Project Target basis and effective on the Option Exercise Date for such Research Project Target, CytomX hereby grants to Pfizer and its Affiliates an exclusive (even as to CytomX, except to the extent necessary for CytomX to perform its obligations under the Research Program) license under the Licensed Intellectual Property, to make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import, have imported and otherwise exploit and Commercialize Licensed Products in the Field in the Territory, with the right to sublicense as provided in Section 4.1.6 (the "**Commercial License**").

4.1.4. **License to CytomX Improvements**. Subject to the terms and conditions of this Agreement, CytomX hereby grants to Pfizer and its Affiliates a non-exclusive, worldwide, sublicensable, royalty-free, perpetual and irrevocable license under any CytomX Improvements that were solely or jointly invented by the employees, agents or independent contractors of Pfizer or its Affiliates to (a) make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import, have imported and otherwise exploit and Commercialize any products and processes other than Probodies alone or as incorporated in a PDC and (b) make, have made, use and have used any Probodies alone or incorporated in a PDC for research purposes.

4.1.5. **Licenses to Certain Developed IP**.

(a) Subject to the terms and conditions of this Agreement and without limiting any other license granted to Pfizer under this Agreement, CytomX hereby grants to Pfizer and its Affiliates a non-exclusive, worldwide, sublicensable, royalty-free, perpetual and irrevocable license under any Developed IP solely owned by CytomX to (i) make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import, have imported and otherwise exploit and Commercialize any products and

processes other than Probodies alone or as incorporated in a PDC and (ii) make, have made, use and have used any Probodies alone or as incorporated in a PDC for research purposes.

(b) Subject to the terms and conditions of this Agreement and without limiting any other license granted to Pfizer under this Agreement, in the event Pfizer does not exercise the Option for a Research Project Target, to the extent CytomX solely owns any Developed IP that consists of (i) conjugation chemistry or conjugation methods that are unique to Pfizer Linkers or Pfizer Payloads or (ii) a conjugated ADC using Pfizer Linkers or Pfizer Payloads made using the chemistry or methods referenced under clause (a), CytomX shall grant and hereby does grant to Pfizer and its Affiliates a non-exclusive, worldwide, sublicensable, royalty-free, perpetual and irrevocable license under such Developed IP to make, have made, use, have used, sell, have sold, offer for sale, have offered for sale, import, have imported and otherwise exploit and Commercialize ADCs containing Pfizer Linkers or Pfizer Payloads.

4.1.6. **Right to Sublicense**. Pfizer shall have the right to grant sublicenses to its Affiliates and Third Parties of any and all licenses granted to Pfizer under this Agreement by CytomX, provided that (a) Pfizer shall be jointly and severally responsible with its Sublicensees to CytomX for failure by its Sublicensees to comply with the terms and conditions of this Agreement and (b) Pfizer shall remain responsible for the payment to CytomX of all Milestone Payments and royalties payable with respect to the activities and Net Sales of any Sublicensee.

4.1.7. **Direct License to Affiliates**. Pfizer may at any time request and authorize CytomX to grant licenses directly to Affiliates of Pfizer by giving written notice designating to which Affiliate a direct license is to be granted. Upon receipt of any such notice, CytomX shall enter into and sign a separate direct license agreement with such designated Affiliate of Pfizer. All such direct license agreements shall be within the scope of the licenses granted in Section 4 and shall be consistent with the terms and conditions of this Agreement, except for such modifications as may be required by the laws and regulations in the country in which the direct license will be exercised. The Parties further agree to make any amendments to this Agreement that are necessary to conform the combined terms of such direct license agreements and this Agreement to the terms of this Agreement as set forth on the Effective Date. In countries where the validity of such direct license agreements requires prior governmental approval or registration, such direct license agreements shall not become binding between the parties thereto until such approval or registration is granted, which approval or registration shall be obtained by Pfizer. All costs of making such direct license agreement(s), including CytomX's reasonable attorneys' fees, under this Section 4.1.7 shall be borne by Pfizer.

4.1.8. **Right of Reference**. CytomX hereby grants to Pfizer a "Right of Reference," as that term is defined in 21 C.F.R. § 314.3(b), to any data Controlled by CytomX or its Affiliates (a) to the extent that it specifically pertains to a Probody contained in the Agreement PDCs, the Licensed Products or preclinical studies with respect to the Licensed Products and (b) that Pfizer reasonably believes may be necessary or useful to the Development, Manufacturing or Commercialization of any Agreement PDC or any Licensed Product pursuant to this Agreement, and CytomX will provide a signed statement to the foregoing effect, if so requested by Pfizer in accordance with 21 C.F.R. § 314.50(g)(3).

4.1.9. **Technology Transfer Assistance**. CytomX shall provide reasonable assistance, at no additional cost to Pfizer beyond reimbursement of FTE costs for CytomX personnel providing such assistance as provided in Section 5.3.1, to effect the timely and orderly transfer to Pfizer of the Know-How included in the Licensed Intellectual Property necessary for Pfizer's use in performing its responsibilities under the Research Plans, and, if Pfizer exercises an Option granted to it under Section 4.1.1, for the Development, Manufacturing and Commercialization of Licensed Products pursuant to the Commercial License.

4.2. **Grants to CytomX**.

4.2.1. **Research License**. Subject to the terms and conditions of this Agreement and during the Research Term with respect to each Research Project Target, Pfizer hereby grants to CytomX a non-exclusive, worldwide, royalty-free license, with no right to grant sublicenses, under the Pfizer Technology to perform the activities assigned to CytomX under the applicable Research Plan.

4.2.2. **License to Certain Developed IP**. [***]

4.3. **Reciprocal Non-Exclusive Research License for Disclosed Know-How and Confidential Information**. Without limiting any other license granted to either Party under this Agreement and subject to the terms of Section 7:

4.3.1. CytomX hereby grants to Pfizer and its Affiliates a non-exclusive, irrevocable, perpetual, royalty-free, fully paid-up, worldwide license to use any and all Know-How included in the Licensed Intellectual Property and CytomX Confidential Information disclosed to Pfizer during the Term of this Agreement solely for internal research purposes, other than research on Substrates, it being understood and agreed that Pfizer will have no right under this Section 4.3.1 to use any such CytomX Know-How or CytomX Confidential Information in connection with the sale or manufacture for sale of any pharmaceutical product or process.

4.3.2. Pfizer hereby grants to CytomX and its Affiliates a non-exclusive, irrevocable, perpetual, royalty-free, fully paid-up, worldwide license to use any and all Pfizer Know-How and Pfizer Confidential Information (other than any information regarding the identity of or Pfizer's reasons for selecting any Research Project Target, Replacement Target or Additional Target, which shall only be disclosed by CytomX to its Representatives as necessary to comply with the terms of this Agreement) disclosed to CytomX during the Term of this Agreement solely for internal research purposes, other than Pfizer Site-Specific Conjugation Technology, it being understood and agreed that CytomX will have no right under this Section 4.3.2 to use any Pfizer Know-How or Pfizer Confidential Information in connection with the sale or manufacture for sale of any pharmaceutical product or process.

4.3.3. Notwithstanding the foregoing, neither Pfizer nor CytomX shall have any right under this Section 4.3 to (a) make or use any physical material supplied by the other Party for use in the Research Program other than for use in the Research Program or (b) practice under any Patent Right Controlled by the other Party.

4.4. **Retained Rights**. For the avoidance of doubt, except as expressly provided in regard to the licenses contained in this Article 4 or in the provisions of Section 6.1.1, neither Party will have any rights in the other Party's Antibodies, in the case of Pfizer, or Probodies, in the case of CytomX, and each Party will retain ownership of all of its Pfizer Technology or CytomX Technology, as applicable, covering any Antibody or Probody, as applicable, that such Party contributes to the Research Program.

4.5. **Exclusivity**.

4.5.1. **Exclusivity Covenant**. During the Term of this Agreement, except to the extent required for CytomX to fulfill its obligations under the Agreement, CytomX and its Affiliates will not engage in, and will not license or otherwise grant any right to, or enter into any collaborative arrangement with, any Third Party to engage in, any activity where a goal of such activity is to Develop or Commercialize any Probody or PDC Targeting any Research Project Target for which Pfizer has exercised its Option for use in the Field, except that Pfizer acknowledges and agrees that CytomX and its Affiliates may continue Development of and Commercialize (and to license and enter into collaborative arrangements regarding) an EGFR Probody as a Probody but not as a PDC.

4.5.2. **Other Pfizer Programs**. CytomX understands and acknowledges that Pfizer may have present or future initiatives or opportunities, including initiatives or opportunities with its Affiliates or Third Parties, involving similar products, programs, technologies or processes that are similar to or that may compete with a product, program, technology or process covered by this Agreement. CytomX acknowledges and agrees that nothing in this Agreement will be construed as a representation, warranty, covenant or inference that Pfizer will not itself Develop, Manufacture or Commercialize or enter into business relationships with one or more of its Affiliates or Third Parties to Develop, Manufacture or Commercialize

products, programs, technologies or processes that are similar to or that may compete with any product, program, technology or process covered by this Agreement.

4.6. **Section 365(n) of Bankruptcy Code**. All rights and licenses now or hereinafter granted by CytomX to Pfizer under or pursuant to any section of this Agreement, including Sections 4.1.1, 4.1.3, 4.1.4, 4.1.5 and 4.3.1, are rights to "intellectual property" (as defined in Section 101(35A) of Title 11 of the United States Code, as amended (such Title 11, the "**Bankruptcy Code**")). The Parties hereto acknowledge and agree that the payments provided for under Sections 5.1, 5.2, 5.3 and 5.4, and all other payments by Pfizer to CytomX under this Agreement, other than royalty payments pursuant to Section 5.5, do not constitute royalties within the meaning of Section 365(n) of the Bankruptcy Code or relate to licenses of intellectual property under this Agreement.

4.7. **No Implied Rights**. Except as expressly provided in this Agreement, neither Party shall be deemed, by estoppel, implication or otherwise, to have granted the other Party any license or other right with respect to any intellectual property of such Party.

5. PAYMENTS TO CYTOMX.

5.1. **Upfront and Option Fee**. Within [***] after the Effective Date, Pfizer shall pay to CytomX the non-creditable, non-refundable amount of Six Million Dollars ($6,000,000).

5.2. **Option Exercise Fee.** Upon exercise of the Option for a Research Project Target pursuant to Section 4.1.2, Pfizer shall pay to CytomX the "Option Exercise Fee" for such Research Project Target, as set forth in the table below.

Research Project Target	Option Exercise Fee
EGFR	$ [***]
Second Target or Replacement Target	$ [***]
Each Additional Target	$ [***]

5.3. **Research Support Funding**.

5.3.1. **FTE Reimbursement**. During the applicable Research Term, Pfizer shall reimburse CytomX for the costs of CytomX FTEs incurred in performing its Research Plan Activities at the FTE Rate. Pfizer shall be obligated to reimburse CytomX for [***] FTEs in aggregate per Calendar Year. Subject to the foregoing, the JRC shall determine the specific number of FTEs that shall perform Research Plan Activities for CytomX from time to time. By [***] of the applicable Research Term, the JRC shall estimate the number of projected CytomX FTE's to be utilized in the subsequent [***] period of such Research Term, provided that the JRC shall evaluate and revise, as applicable, such estimate at each Calendar

Quarterly meeting for the following Calendar Quarter, provided, further, that the JRC shall not reduce the number of FTEs set forth in such estimate unless Pfizer has provided CytomX with [***]' advanced written notice of its intention to reduce such number from the most recent annual estimate. Notwithstanding the foregoing, Pfizer shall only be obligated to reimburse CytomX for the number of FTEs actually incurred and reported pursuant to Section 5.3.3 in the performance of its Research Plan Activities.

5.3.2. **Other Expenses**. Except as expressly set forth in Section 5.3.1, CytomX shall be solely responsible for all costs and expenses it incurs in performing its obligations under the Research Program, except as specifically set forth in the applicable Research Plan; provided, however, that CytomX shall not be required to assign any FTEs to the performance of the Research Plan Activities in excess of the number of FTEs that Pfizer is obligated to reimburse.

5.3.3. **Reports and Reimbursement Payments**. Within [***] after the end of each Calendar Quarter of the applicable Research Term, CytomX shall provide Pfizer with a quarterly report containing a detailed account of activities performed together with an invoice for amounts payable under Section 5.3.1, with respect to such Calendar Quarter. Each report must be accompanied by a certificate executed by a duly appointed officer of CytomX confirming the actual total number of FTEs supplied by CytomX during such Calendar Quarter, and the percent effort of the FTEs in performing Research Plan Activities engaged during such Calendar Quarter. Payment shall be due within [***] after Pfizer receives such an invoice from CytomX.

5.3.4. **Audit Rights**. During the applicable Research Term and for a period of [***] thereafter, CytomX shall keep and maintain accurate and complete records showing the time devoted and general activities performed (on a monthly basis) by each FTE in performing CytomX's obligations under the Research Program. Upon [***] prior written notice from Pfizer, CytomX shall permit an independent certified public accounting firm of nationally recognized standing selected by Pfizer and reasonably acceptable to CytomX to examine, at Pfizer's sole expense, the relevant books and records of CytomX as may be reasonably necessary to verify the accuracy of the invoices submitted to Pfizer under Section 5.3.3 for the number of FTEs applied to the performance of CytomX's obligations under the Research Program. An examination by Pfizer under this Section 5.3.4 shall occur not more than [***] and shall be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. Such examination shall be conducted during CytomX's normal business hours at CytomX's facility(ies) where such books and records are normally kept. CytomX may require the accounting firm to sign a reasonable and customary non-disclosure agreement. The accounting firm shall provide both CytomX and Pfizer a written report disclosing whether the invoices submitted by CytomX are correct or incorrect and the specific details concerning any discrepancies. If the audit

establishes that the number of FTEs actually utilized by CytomX was less than the number funded by Pfizer during the period covered by the audit, CytomX shall, at Pfizer's sole discretion, either (a) refund the excess payments to Pfizer within [***] of its receipt of the auditor's report so concluding or (b) immediately offset all such excess payments against any outstanding or future amounts payable by Pfizer to CytomX under this Agreement until Pfizer has received full credit for all such overpayments. Additionally, if the amount to be refunded exceeds more than [***] of the amount that was properly payable, CytomX shall reimburse Pfizer for the reasonable out-of-pocket cost of the audit. If CytomX reasonably and in good faith disputes the result of any audit under this Section 5.3, the payments of disputed amounts due under this Section 5.3 shall be tolled until resolution of such dispute pursuant to Section 11.9.

5.4. **Milestones**

5.4.1. **Development Milestones**. Within [***] following the first occurrence of each event (each, a "**Development Milestone**") described below for each Research Project Target, Pfizer shall provide written notice to CytomX identifying the Research Project Target and the Development Milestone achieved, and Pfizer shall pay to CytomX the amount set forth below within [***] of receipt of CytomX's invoice with respect to such Development Milestone (each such amount, a "**Development Milestone Payment**") to be payable only once with respect to each Research Project Target regardless of how many Agreement PDCs or Licensed Products Targeting such Research Project Target achieve such Development Milestone. Notwithstanding anything to the contrary in this Agreement, Development Milestone Payments shall only be owed pursuant to this Section 5.4.1 for those Agreement PDCs and Licensed Products of which the manufacture or sale is covered by a Valid Claim. For the avoidance of doubt, if any Development Milestone Payment is paid for an Agreement PDC or Licensed Product Targeting the Second Target, such Development Milestone Payment will not be owed by Pfizer if an Agreement PDC or Licensed Product Targeting a Replacement Target (but not an Additional Target) later achieves the same Development Milestone.

Development Milestone	Development Milestone Payment for Licensed Products Targeting EGFR	Development Milestone Payment for Licensed Products Targeting the Second Target or a Replacement Target or an Additional Target
(A) Dosing of first subject in a Phase I Clinical Study with an Agreement PDC Targeting such applicable Research Project Target	[***]	[***]
(B) Dosing of first subject in a Phase II Clinical Study with an Agreement PDC Targeting such applicable Research Project Target	[***]	[***]
(C) Dosing of first subject in a Phase III Clinical Study with an Agreement PDC Targeting such applicable Research Project Target	[***]	[***]
(D) First Commercial Sale of a Licensed Product containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(E) First Commercial Sale of a Licensed Product containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(F) First Commercial Sale of a Licensed Product containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(G) First Commercial Sale of a Licensed Product in a Second Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]

(H) First Commercial Sale of a Licensed Product in a Second Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(I) First Commercial Sale of a Licensed Product in a Second Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(J) First Commercial Sale of a Licensed Product in a Third Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(K) First Commercial Sale of a Licensed Product in a Third Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]
(L) First Commercial Sale of a Licensed Product in a Third Tumor Type containing an Agreement PDC Targeting such applicable Research Project Target in [***]	[***]	[***]

For clarity, if a Subsequent Milestone is achieved and any Previous Milestone for such Research Project Target has not yet been achieved for any reason, notwithstanding anything herein to the contrary such Previous Milestone(s) shall be deemed to have been achieved and the corresponding Development Milestone Payment set forth in the table above shall be payable simultaneously with the Development Milestone Payment for the achievement of the Subsequent Milestone. For purposes of the foregoing, each Development Milestone B through F shall be deemed a "**Subsequent Milestone**" for each Development Milestone A through C prior in alphabetical order in the above table (each, a "**Previous Milestone**"); provided that Development Milestones D, E, and F shall each be deemed Subsequent Milestones only of Development Milestones A through C. For example, if Development Milestone C were achieved before Development Milestone B, then the Development Milestone Payment for Development Milestone B would be due and payable on such achievement of Development Milestone C.

5.4.2. **Sales Milestones.** Pfizer shall pay to CytomX the following one-time payments (each, a "**Sales Milestone Payment**") when aggregate Annual Net Sales of a Licensed Product in the Territory in a Pfizer Year first reach the respective threshold (a "**Sales Threshold**") indicated below (each, a "**Sales Milestone**"); provided that such Sales Threshold with respect to a Licensed Product must be reached within the first seven (7) full Pfizer Years following the First Commercial Sale of such Licensed Product in the United States.

Total Annual Net Sales	**Sales Milestone Payment for Licensed Products Targeting EGFR**	**Sales Milestone Payment for Licensed Products Targeting the Second Target or a Replacement Target**	**Sales Milestone Payment for Licensed Products Targeting an Additional Target**
Total Annual Net Sales exceeding $500,000,000	[***]	[***]	[***]
Total Annual Net Sales exceeding $1,000,000,000	[***]	[***]	[***]
Total Annual Net Sales exceeding $2,000,000,000	[***]	[***]	[***]
Total Annual Net Sales exceeding $3,000,000,000	[***]	[***]	[***]

If more than one unmet Sales Threshold is achieved with respect to the same Pfizer Year, payment will be made with respect to the higher or highest Sales Threshold achieved in such Pfizer Year and all other previously unmet Sales Thresholds achieved with respect to such Pfizer Year will remain eligible to be met in future Pfizer Years. Any Sales Milestone Payment with respect to any Pfizer Year shall be payable within [***] of the end of such Pfizer Year in the United States. Each Sales Milestone Payment is payable a maximum of one time only, regardless of the number of Licensed Products that achieve a particular Sales Threshold.

5.5. **Royalties**. With respect to each Research Project Target and subject to the provisions of Section 5.5.2, Pfizer shall pay CytomX royalties in the amount of the applicable rates ("**Marginal Royalty Rates**") set forth below of Annual Net Sales of any Licensed Product Targeting such Research Project Target during the Royalty Term:

Annual Net Sales	Marginal Royalty Rate for Licensed Products Targeting EGFR (% of the Annual Net Sales)	Marginal Royalty Rate for Licensed Products Targeting the Second Target or a Replacement Target or an Additional Target (% of the Annual Net Sales)
Annual Net Sales of such Licensed Product during a given Pfizer Year up to and including $750,000,000	[***]%	[***]%
Annual Net Sales of such Licensed Product during a given Pfizer Year above $750,000,000, up to and including $1,500,000,000	[***]%	[***]%
Annual Net Sales of such Licensed Product during a given Pfizer Year above $1,500,000,000, up to and including $2,250,000,000	[***]%	[***]%
Annual Net Sales of such Licensed Product during a given Pfizer Year above $2,250,000,000	[***]%	[***]%

5.5.1. **Marginal Royalty Rate Application**. Each Marginal Royalty Rate set forth in the table above shall apply only to that portion of the Annual Net Sales of a given Licensed Product in the Territory during a given Pfizer Year that falls within the indicated range.

5.5.2. **Royalty Adjustments**. The following adjustments shall be made, on a Licensed Product-by-Licensed Product and country-by-country basis, to the royalties payable pursuant to this Section 5.5:

(a) **Generic Competition**. Royalties payable following establishment of Generic Competition with respect to the sale by a Third Party of a product that is a Biosimilar Biologic Product to such Licensed Product in such country shall be payable at [***] of the otherwise applicable rate prior to application of this Section 5.5.2(a). "**Generic Competition**" means, with respect to a given Calendar Year with respect to a Licensed

Product in any country, that during such Calendar Year, (x) one (1) or more Third Parties have received Regulatory Marketing Approval to sell in such country a Biosimilar Biologic Product, (y) such Biosimilar Biologic Product(s) shall be commercially available in such country and (z) such Biosimilar Biologic Product(s) shall have, in the aggregate, a [***] market share of the aggregate of such Licensed Product and Biosimilar Biologic Product(s) (based on data provided by IMS International, or if such data is not available, such other reliable data source as reasonably designated by Pfizer) as measured by the number of prescriptions. In the event IMS International data (or such other designated data source) is not sufficient to determine the percentage market share for each country in the European Union, the percent market share for the European Union countries for which data is not available will be deemed to be the average percent market share for those European Union countries in which the data is available. A product shall be a "**Biosimilar Biologic Product**" with respect to a Licensed Product if such product (1) has been licensed as a biosimilar or interchangeable product by FDA pursuant to Section 351(k) of the Public Health Service Act (42 U.S.C. 262(k)), as may be amended, or any subsequent or superseding law, statute or regulation, (2) 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 (3) has otherwise achieved analogous Regulatory Marketing Approval from another applicable Regulatory Authority. In no event will the royalty payable to CytomX for such Licensed Product be reduced below three percent (3%) by operation of this Section 5.5.2(a).

(b) **Third Party Patents**. If, after the Effective Date, it is Necessary or Useful for Pfizer to license one or more Patent Rights from one or more Third Parties in order to Develop, Manufacture, Commercialize or use any Licensed Product, whether directly or through any Pfizer Affiliate or Sublicensee, then Pfizer may, in its sole discretion, negotiate and obtain a license under such Patent Right(s) (each such Third Party license referred to herein as an "**Additional Third Party License**"). Any royalty otherwise payable to CytomX under this Agreement with respect to Net Sales of any Licensed Product by Pfizer, its Affiliates or Sublicensees shall be reduced by [***] of the royalties payable to Third Parties pursuant to any Additional Third Party Licenses with respect to such Licensed Product, such reduction to continue until all such royalties have been expended, provided that in no event (other than in the case of CytomX's breach of any representation, warranty or covenant hereunder) shall the total royalty payable to CytomX for such Licensed Product be less than [***] of the royalty amounts otherwise payable for such Licensed Product and in no event will the royalty payable to CytomX for such Licensed Product be reduced below three percent (3%). For purposes of this

Section 5.5.2(b), [***]. For the avoidance of doubt, the Parties agree and acknowledge that this Section 5.5.2(b) shall not apply with respect to royalties payable by Pfizer to any Third Party under any agreement in existence as of the Effective Date.

(c) **CytomX Third Party Agreements**.

(i) [***]

(ii) [***]

(iii) [***]

5.5.3. **Fully Paid-Up, Royalty Free License**. After expiration of the Royalty Term for any Licensed Product in a country in the Territory, no further royalties shall be payable in respect of sales of such Licensed Product in such country and thereafter the Commercial License with respect to such Licensed Product in such country shall be a fully paid-up, perpetual, exclusive, irrevocable, royalty-free license.

5.6. **Reports and Payments**.

5.6.1. **Cumulative Royalties**. The obligation to pay royalties under Section 5.5 shall be imposed only once with respect to a single unit of a Licensed Product regardless of how many Valid Claims in Patent Rights included within the Licensed Intellectual Property would, but for this Agreement, be infringed by the use or sale of such Licensed Product in the country in which such Licensed Product is used or sold.

5.6.2. **Royalty Statements and Payments**. Within [***] after the end of each Pfizer Quarter, Pfizer shall deliver to CytomX a report setting forth for such Pfizer Quarter the following information, on a Licensed Product-by-Licensed Product basis: (a) the Net Sales of each Licensed Product, (b) the basis for any adjustments to the royalty payable for the sale of each Licensed Product and (c) the royalty due hereunder for the sale of each Licensed Product. No such reports shall be due for any Licensed Product before the First Commercial Sale of such Licensed Product in the Territory. The total royalty due for the sale of Licensed Products during such Pfizer Quarter shall be remitted at the time such report is delivered to CytomX.

5.6.3. **Taxes and Withholding**. It is understood and agreed between the Parties that any payments made this Agreement are inclusive of any value added or similar tax imposed upon such payments. In addition, in the event any of the payments made by Pfizer pursuant to this Agreement become subject to withholding taxes under the Applicable Law of any jurisdiction, Pfizer shall deduct and withhold the amount of such taxes for the account of CytomX, to the

extent required by Applicable Law, such amounts payable to CytomX shall be reduced by the amount of taxes deducted and withheld, and Pfizer shall pay the amounts of such taxes to the proper Governmental Authority in a timely manner and promptly transmit to CytomX an official tax certificate or other evidence of such tax obligations together with proof of payment from the relevant Governmental Authority of all amounts deducted and withheld sufficient to enable CytomX to claim such payment of taxes. Any such withholding taxes required under Applicable Law to be paid or withheld shall be an expense of, and borne solely by, CytomX. Pfizer will provide CytomX with reasonable assistance to enable CytomX to recover such taxes as permitted by Applicable Law.

5.6.4. **Currency**. All amounts payable and calculations hereunder shall be in United States dollars, and all payments due under this Agreement shall be made by wire transfer in immediately available funds to an account designated by the Party owed such payment, or by other mutually acceptable means. As applicable, Net Sales and any royalty deductions shall be converted into United States dollars in accordance with Pfizer's customary and usual conversion procedures, consistently applied.

5.6.5. **Additional Provisions Relating to Payments**. CytomX acknowledges and agrees that nothing in this Agreement (including any schedules and exhibits hereto) shall be construed as representing an estimate or projection of either (a) the number of Licensed Products that shall or may be successfully Developed or Commercialized or (b) anticipated sales or the actual value of any Licensed Product. PFIZER MAKES NO REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, THAT IT SHALL BE ABLE TO SUCCESSFULLY DEVELOP OR COMMERCIALIZE ANY PRODUCT OR, IF COMMERCIALIZED, THAT IT WILL ACHIEVE ANY PARTICULAR SALES LEVEL OF SUCH PRODUCT(S), PROVIDED THAT THE FOREGOING SHALL NOT LIMIT PFIZER'S OBLIGATIONS UNDER THIS AGREEMENT.

5.7. Maintenance of Records; Audits.

5.7.1. **Record Keeping**. Pfizer shall keep, and cause its Affiliates and Sublicensees to keep, accurate books of account and records in connection with the sale of Licensed Products, in sufficient detail to permit accurate determination of all figures necessary for verification of royalties to be paid hereunder. Pfizer shall maintain, and cause its Affiliates and Sublicensees to maintain, such records for a period of at least [***] after the end of the Calendar Year in which they were generated.

5.7.2. **Audits**. Upon [***] prior written notice from CytomX, Pfizer shall permit an independent certified public accounting firm of internationally recognized standing selected by CytomX and reasonably acceptable to Pfizer to examine, at

CytomX's sole expense, the relevant books and records of Pfizer during the period covered by such examination, as may be reasonably necessary to verify the accuracy of the reports submitted by Pfizer in accordance with Section 5.6 and the payment of royalties hereunder. An examination by CytomX under this Section 5.7.2 shall occur not more than once in any Calendar Year and shall be limited to the pertinent books and records for any Calendar Year ending not more than [***] before the date of the request. The accounting firm shall be provided access to such books and records at Pfizer's or its Affiliates' facilities where such books and records are kept and such examination shall be conducted during Pfizer's normal business hours. Pfizer may require the accounting firm to sign a reasonable and customary non-disclosure agreement before providing the accounting firm access to Pfizer's facilities or records. Upon completion of the audit, the accounting firm shall provide both Pfizer and CytomX a written report disclosing whether the reports submitted by Pfizer are correct or incorrect, whether the royalties paid are correct or incorrect and, in each case, the specific details concerning any discrepancies. No other information shall be provided to CytomX.

5.7.3. **Underpayments/Overpayments**. If such accounting firm concludes that additional royalties were due to CytomX, Pfizer shall pay to CytomX the additional royalties within [***] of the date Pfizer receives such accountant's written report so concluding. If such underpayment exceeds [***] of the royalties that were to be paid to CytomX, Pfizer also shall reimburse CytomX for all reasonable charges of such accountants for conducting the audit. If such accounting firm concludes that Pfizer overpaid royalties to CytomX, CytomX shall repay such amount to Pfizer in full within [***] of the receipt of such accountant's report, or, at Pfizer's option, Pfizer shall be entitled to offset all such overpayments against any outstanding or future amounts payable to CytomX hereunder until Pfizer has received full credit for such overpayments.

5.7.4. **Confidentiality**. All financial information of Pfizer which is subject to review under this Section 5.7.4. shall be deemed to be Pfizer's Confidential Information subject to the provisions of Article 7 hereof, and CytomX shall not disclose such Confidential Information to any Third Party or use such Confidential Information for any purpose other than verifying payments to be made by Pfizer to CytomX hereunder.

6. INTELLECTUAL PROPERTY.

6.1. **Inventions**.

6.1.1. **Ownership**. All determinations of inventorship under this Agreement shall be made in accordance with the laws of the United States.

(a) **Pfizer Improvements**. Pfizer shall own all Pfizer Improvements.

(b) **CytomX Improvements**. CytomX shall own all CytomX Improvements.

(c) **Developed IP**. Except as provided in Section 6.1.1(d), [***].

(d) **Assignment of PDC Developed IP**. On a Research Project Target-by-Research Project Target basis, contingent upon and effective as of the Option Exercise Date for such Research Project Target, including payment of the applicable Option Exercise Fee, [***] all PDC Developed IP [***] thereafter any such PDC Developed IP [***].

(e) **Implementation**. Each Party shall assign, and does hereby assign, to the other Party such Patent Rights, Know-How or other intellectual property rights as necessary to achieve ownership as provided in this Section 6.1.1. 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 shall make its relevant employees, agents and independent contractors (and their assignments and signatures on such documents and instruments) reasonably available to the other Party for assistance in accordance with this Section 6.1.1 at no charge.

6.1.2. **Disclosure**. Each Party shall, no less than [***] before filing any initial Patent Right disclosing such intellectual property, disclose to the other Party any Developed IP, CytomX Improvement and Pfizer Improvement, or any other Patent Right that contains the other Party's Confidential Information, including all invention disclosures or other similar documents submitted to such Party by its, or its Affiliates', employees, agents or independent contractors describing such Developed IP, CytomX Improvement or Pfizer Improvement, and the proposed inventorship of any new Patent Rights intended to be filed. The other Party shall promptly raise any issue regarding inventorship of any such Patent Rights, and the Parties agree to use their best efforts to determine in good faith the correct inventorship of any Patent Rights.

6.2. **Patent Rights**.

6.2.1. **Filing, Prosecution and Maintenance of Patent Rights**.

(a) **Patent Filing Rights Prior to Option Exercise.** [***]

(b) **Cooperation**. Without limiting any other rights and obligations of the Parties under this Agreement, the Parties shall cooperate with respect to the timing, scope and filing of patent applications and patent claims relating to any CytomX Improvements, Pfizer Improvements and Developed IP to preserve and enhance the patent protection for Agreement PDCs, including the manufacture and use thereof. [***]

(c) **Pfizer Patent Rights**. Pfizer, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, any Patent Rights that it solely owns, including Pfizer Patent Rights and Patent Rights in the Pfizer Improvements and [***]. Pfizer shall keep CytomX informed regarding any Patent Right comprised in any such [***] and shall consider in good faith any recommendations made by CytomX in regard to the filing, prosecution or maintenance of any such Patent Right. To the extent Pfizer decides not to file, and except in a case in which the decision not to file, prosecute or maintain any such Patent Right is made by Pfizer in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the intellectual property protecting the relevant Agreement PDCs, Pfizer shall provide CytomX with [***] prior written notice to such effect (i.e., at least [***] prior to the date on which any such filing or other action is due), in which event CytomX may elect to file or continue prosecution or maintenance of such Patent Right, at CytomX's expense, and Pfizer, upon CytomX's written request received within such thirty (30) day period, shall execute such documents and perform such acts, at CytomX's expense, as may be reasonably necessary to permit CytomX to file, prosecute and maintain such Patent Right. Any such Patent Right that is prosecuted or maintained by CytomX pursuant to this Section 6.2.1(c)(i) will continue to be owned by Pfizer, and (ii) subject to the Parties' other rights and obligations under this Agreement, may be licensed by Pfizer to one or more Third Parties. [***].

(d) **CytomX Patent Rights**. CytomX, at its own expense, shall have the sole right, but not the obligation, to prepare, file, prosecute and maintain, throughout the world, any Patent Rights included in Licensed Intellectual Property that it solely owns, including CytomX Patent Rights and Patent Rights comprised in the CytomX Improvements. CytomX shall not disclose any Pfizer Confidential Information in any Patent Rights that it files, or in connection with the prosecution of any such Patent Rights, without Pfizer's prior written consent. CytomX shall notify Pfizer promptly, and no later than [***] after request by Pfizer of any Patent Right after the Effective Date that covers the Development, Manufacture, Commercialization or use of any Licensed Product. In the absence of such prompt notification, any such Patent Rights shall be excluded from the Valid Claim definition. CytomX shall keep Pfizer informed regarding each Patent Right included in the Licensed Intellectual Property that CytomX or any Third Party licensor is prosecuting and shall consider in good faith any recommendations made by Pfizer in regard to the filing, prosecution or maintenance of any such Patent Right. To the extent

CytomX decides not to prosecute or maintain any Patent Right of CytomX that CytomX reasonably believes covers or may cover the Development, Manufacture, Commercialization or use of any Licensed Product (other than any such Patent Right owned or co-owned by a Third Party licensor or the filing of any such new initial Patent Right) and except in the case in which the decision not to file, prosecute or maintain such Patent Right is made by CytomX in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the Licensed Intellectual Property, CytomX shall provide Pfizer written notice to such effect at least [***] prior to the date on which any filing or other action is due, in which event Pfizer may elect to continue prosecution or maintenance of such Patent Right, at Pfizer's sole expense, and CytomX, upon Pfizer's written request, shall execute such documents and perform such acts, at Pfizer's expense, as may be reasonably necessary to permit Pfizer to file, prosecute and maintain, at its own discretion, such Patent Right. Notwithstanding anything to the contrary, [***]. CytomX will continue to own any Patent Rights that are filed, prosecuted or maintained by Pfizer pursuant to this Section 6.2.1(d) provided that (x) such Patent Rights in such countries will be excluded from the Valid Claim definition; and (y) in addition to the exclusive licenses granted to Pfizer under Section 4, CytomX will and does hereby grant to Pfizer (subject to any existing Third Party rights) a non-exclusive, sublicensable, perpetual, irrevocable, royalty-free, fully paid-up, worldwide license to practice and exploit such Patent Rights in such countries for any and all purposes, provided that [***]. Except in the ordinary course of filing continuation applications or as part of an overall strategy to optimize the scope or other aspects of the intellectual property protecting the relevant Agreement PDCs, CytomX shall not decline to pay for or participate in the filing, prosecution or maintenance of any Patent Right under any CytomX Third Party Agreement, to the extent CytomX is obligated to pay for such or has the right to participate in such filing, prosecution or maintenance, that is included in the Licensed Intellectual Property and that, in Pfizer's reasonable discretion, covers a Licensed Product Developed or Commercialized by Pfizer or its Affiliates, and the loss of which would result in loss of right to or would materially diminish the overall protection of such Licensed Product, without Pfizer's prior written consent, not to be unreasonably withheld or delayed.

(e) **Joint Patent Rights**. In the event the Parties conceive or generate any Joint Developed IP, other than [***], the Parties shall promptly meet to discuss and determine, based on mutual consent, whether to seek patent protection thereon. Neither Party will file any Patent Right covering or claiming any such Joint Developed IP (a "**Joint Patent Right**") without the consent of the other Party, provided that following the Option Exercise Date for a Research Project Target, including payment of the applicable

Option Exercise Fee, Pfizer shall have the first right to file on and control prosecution of any Patent Right covering or claiming any Joint Developed IP used in the development, manufacture, composition or use of any PDC Targeting such Research Project Target, that does not claim or cover any invention that is generally applicable to Probodies or PDCs other than a PDC Targeting such Research Project Target. If Pfizer controls prosecution of any such Joint Developed IP, Pfizer shall keep CytomX informed regarding each Patent Right that Pfizer is prosecuting and shall consider in good faith any recommendations made by CytomX in regard to the filing, prosecution or maintenance of any such Patent Right. For avoidance of doubt, "prosecution" as used in this Section 6.2.1 includes oppositions, nullity or revocation actions, post-grant reviews and other patent office proceedings involving the referenced Patent Rights.

(f) **Liability**. To the extent that a Party is obtaining, prosecuting or maintaining a Patent Right included in the Licensed Intellectual Property or Developed IP (including PDC Developed IP) or otherwise exercising its rights under this Section 6.2.1, such Party, and its Affiliates, employees, agents or representatives, shall not be liable to the other Party in respect of any act, omission, default or neglect on the part of any such Party, or its Affiliates, employees, agents or representatives, in connection with such activities undertaken in good faith.

(g) **Extensions**. The decision to file for a patent term extension and particulars thereof (including which patent(s) to extend) will be made with the goal of obtaining the optimal patent term and scope of protection for Licensed Products. Pfizer shall have the right after it has submitted for Regulatory Approval of a Licensed Product, but not the obligation, to request permission from CytomX to seek, in CytomX's name if so required, patent term extensions, supplemental protection certificates and the like available under applicable law, including 35 U.S.C. § 156 and applicable foreign counterparts, (each, an "extension") for any patent included in the Licensed Intellectual Property (a "Licensed Patent") that covers such Licensed Product. CytomX agrees to grant Pfizer such permission on request, unless at the time of such request CytomX has determined to seek such extension under such Licensed Patent for a product for which CytomX has sole development and commercialization rights or for which CytomX is obligated to a Third Party to seek such extension for the Third Party's or a collaboration product (each an "**Other Product**"), in each case where the Other Product has advanced to at least Phase III clinical testing and the Other Product is covered by a Valid Claim of the Licensed Patent. If Pfizer does not seek to extend any Licensed Patent in relation to a Licensed Product but CytomX is interested in doing so, then CytomX shall notify Pfizer of such interest and CytomX may only seek to do so if in Pfizer's reasonable legal determination such

Licensed Patent may be extended under applicable law in relation to a Licensed Product without limiting Pfizer's right to extend any other patent in relation to the Licensed Product or to extend the same Licensed Patent with respect to another Licensed Product.

(h) **Joint Research Agreement**. This Agreement shall be understood to be a joint research agreement under 35 U.S.C. § 103(c)(3) entered into for the purpose of researching, identifying and Developing Agreement PDCs and Licensed Products.

(i) **Recording**. If Pfizer deems it necessary or desirable to register or record this Agreement or evidence of this Agreement with any patent office or other appropriate government authorities in one or more jurisdictions in the Territory, then Pfizer shall submit to CytomX any proposed evidence of such recording and the Parties will comply with the terms of Section 7.2.3 in respect of such filing. CytomX shall execute and deliver to Pfizer any documents necessary or desirable, in Pfizer's reasonable judgment, to complete such registration or recordation in accordance with the terms of Section 7.2.3.

6.2.2. **Enforcement of Patent Rights**.

(a) **Notice**. If either Pfizer or CytomX becomes aware of any infringement anywhere in the world of any issued Patent Right within the Licensed Intellectual Property or Developed IP by any Third Party PDC that Targets a Research Project Target (an "**Infringement**") or by any Third Party Probody that Targets a Research Project Target, such Party shall promptly notify the other Party in writing to that effect.

(b) **Infringement of Certain Patent Rights.**

(i) Subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, and subject to the terms and conditions of any applicable CytomX Third Party Agreements, in the event of any Infringement of a Patent Right included in the Licensed Intellectual Property or Developed IP, Pfizer shall have the first right, and in the case of [***], but not the obligation, to take action to obtain a discontinuance of Infringement or bring suit against a Third Party infringer of such Patent Right within [***] from the date of notice and to join CytomX as a party plaintiff.

(ii) Pfizer shall bear all the expenses of any suit brought by it claiming infringement of any such Patent Right. CytomX shall cooperate with Pfizer in any such suit and shall have the right to

consult with Pfizer and to participate in and be represented by independent counsel in such litigation at its own expense. Pfizer shall incur no liability to CytomX as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such Patent Right invalid or unenforceable, and Pfizer shall not, without CytomX's prior written consent, enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to CytomX or admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(iii) If Pfizer has not obtained a discontinuance of such Infringement by, or filed suit against, any such Third Party infringer within the [***] period set forth in subsection (i) above, then CytomX shall have the right, but not the obligation, to bring suit against such Third Party infringer, at CytomX's sole expense, under any Licensed Intellectual Property or under any Developed IP owned by CytomX. Pfizer shall reasonably cooperate with CytomX in any such litigation, at CytomX's expense, provided that Pfizer shall not be required to join such litigation as a party and Pfizer may, at its sole discretion, elect to be represented by independent counsel in such litigation at its own expense. CytomX shall incur no liability to Pfizer as a consequence of such litigation or any unfavorable decision resulting therefrom, including any decision holding any such CytomX Patent Right or Joint Patent Right invalid or unenforceable; and CytomX shall not, without Pfizer's prior written consent, enter into any settlement or consent decree that requires any payment by or admits or imparts any other liability to Pfizer or admits the invalidity or unenforceability or limits the scope of any such Patent Right.

(iv) The enforcing Party shall keep the other Party reasonably informed of all material developments in connection with any such suit. Subject to the terms and conditions of any applicable CytomX Third Party Agreements, any recoveries obtained by either Party as a result of any proceeding against such a Third Party infringer shall be allocated as follows:

(A) Such recovery shall first be used to reimburse each Party for all out-of-pocket litigation costs in connection with such litigation paid by that Party; and

(B) [***]; or

(C) [***].

(c) **Other Infringement**. For any infringement of any Licensed Intellectual Property other than an Infringement, CytomX retains the sole right (as between the Parties), but not the obligation, to enforce the Licensed Intellectual Property.

(d) **Other Infringement of Joint Patent Rights**. With respect to any notice of a Third Party infringer of any Joint Patent Right other than in the case of a Joint Patent Right subject to Section 6.2.2(b), the Parties shall meet as soon as reasonably practicable to discuss such infringement and determine an appropriate course of action and the Parties' respective rights and responsibilities with respect to any enforcement thereof.

6.2.3. **Biosimilar Notices.**

(a) Upon Pfizer's request any time after completion of the first Phase II Clinical Study for any Licensed Product, CytomX shall use reasonable efforts to assist and cooperate with Pfizer in establishing a strategy for responding to requests for information from Regulatory Authorities and Third Party requestors and preparing submissions responsive to any Biosimilar Notices received by Pfizer; provided that Pfizer shall make the final decisions with respect to such strategy and any such responses.

(b) Biosimilar Notices. Pfizer shall comply with the applicable provisions of 42 U.S.C. § 262(l) (or any amendment or successor statute thereto), any similar statutory or regulatory requirement enacted in the future regarding biologic products in the United States, or any similar statutory or regulatory requirement in any non-U.S. country or other regulatory jurisdiction, in each case, with respect to any Biosimilar Notice received by Pfizer from any Third Party regarding any Licensed Product that is being Commercialized in the applicable jurisdiction, and the exchange of information between any Third Party and Pfizer pursuant to such requirements; provided that, prior to any submission of information by Pfizer to a Third Party, CytomX shall have the right to review the patent information included in such proposed submission, solely with respect to Patent Rights Controlled by CytomX, and to make suggestions as to any changes to such patent information that CytomX reasonably believes to be necessary; provided further that Pfizer shall determine the final content of any such submission. In the case of a Licensed Product approved in the United States under the PHS Act (or, in the case of a country in the Territory other than the United States, any similar law), to the extent permitted by Applicable Law, Pfizer, as the sponsor of the application for the Licensed Product, will be the "reference product sponsor" under the PHS Act. Pfizer shall give written notice to CytomX of receipt of a Biosimilar Notice received by Pfizer with respect to a Licensed Product, and Pfizer shall consult with CytomX with respect to

the selection of the Patent Rights to be submitted pursuant to 42 U.S.C. § 262(l) (or any similar law in any country of the Territory outside the United States); provided that Pfizer shall have final say on such selection of Patent Rights. CytomX agrees to be bound by the confidentiality provisions of 42 U.S.C. § 262(l)(1)(B)(iii). In order to establish standing in connection with any action brought by Pfizer under this Section 6.2.3, CytomX, upon Pfizer's request, shall reasonably cooperate with Pfizer in any such action, including timely commencing or joining in any action brought by Pfizer under this Section 6.2.3 solely to the extent any Patent Rights Controlled by CytomX are involved in any such action, and the Parties rights and responsibilities regarding any action shall be determined in accordance with Section 6.2.2(b).

6.3. **Interference, Opposition, Revocation and Declaratory Judgment Actions**. If the Parties mutually determine that, based upon the review of a Third Party's patent or patent application or other intellectual property rights, it may be desirable in connection with any Agreement PDC or Licensed Product to provoke or institute an interference, opposition, revocation, post-grant review or other patent office proceedings or declaratory judgment action with respect thereto, then the Parties shall consult with one another and shall reasonably cooperate in connection with such an action. Unless otherwise mutually determined by the Parties and except for any interferences involving any Licensed Intellectual Property or other Patent Rights Controlled by CytomX which shall be governed by Section 6.2, Pfizer shall control such action and shall select counsel for such action. The rights and obligations of the Parties under Section 6.4 are expressly subject to this Section 6.3. Notwithstanding anything to the contrary, CytomX shall retain all rights to control any actions initiated by CytomX prior to the Effective Date, provided that CytomX shall keep Pfizer reasonably informed of, and shall consider in good faith, any recommendations made by Pfizer in connection with such actions.

6.4. **Infringement of Third Party Patent Rights**. If the Development, Manufacture or Commercialization of any Licensed Product is alleged by a Third Party to infringe a Third Party's patent or other intellectual property rights, the Party becoming aware of such allegation shall promptly notify the other Party. The Party that is alleged to infringe the Third Party's patent or intellectual property rights shall have the right to take such action as it deems appropriate in response to such allegation, and shall be solely responsible for all damages, costs and expenses in connection therewith, subject to Article 10.

7. CONFIDENTIALITY

7.1. **Confidentiality**. Except to the extent expressly authorized by this Agreement, the Parties agree that, during the Term and for [***] thereafter, each Party (the "**Receiving Party**") receiving any Confidential Information of the other Party (the "**Disclosing Party**") hereunder shall: (a) keep the Disclosing Party's Confidential Information

confidential; (b) not disclose, or permit the disclosure of, the Disclosing Party's Confidential Information; and (c) not use, or permit to be used, the Disclosing Party's Confidential Information for any purpose, in each case, except for the performance of its obligations or exercise of its rights under this Agreement, provided, however, that a Receiving Party may use or disclose Confidential Information of the Disclosing Party to the extent that such Confidential Information (i) was already known by the Receiving Party (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure by the Disclosing Party; (ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party in breach of its obligations under this Agreement; (iv) was disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party; or (v) was independently discovered or developed by or on behalf of the Receiving Party without the use of any Confidential Information of the Disclosing Party.

7.2. **Authorized Disclosure**.

7.2.1. **Disclosure to Party Representatives**. Notwithstanding the foregoing provisions of Section 7.1, the Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the Receiving Party's, its Affiliates' and its Sublicensees' officers, directors, employees, consultants, contractors, or agents (collectively, "**Representatives**") who (a) have a need to know such Confidential Information in connection with the performance of the Receiving Party's obligations or the exercise of the Receiving Party's rights under this Agreement and (b) have agreed in writing to non-disclosure and non-use provisions with respect to such Confidential Information that are at least as restrictive as those set forth in this Article 7. For clarity, notwithstanding the foregoing, CytomX may use and disclose Confidential Information within the Developed IP that is (i) owned by CytomX, or (ii) licensed to CytomX pursuant to Section 4.2.2 within the scope of such license (the "**CytomX Usable Developed IP**"), to any entities that have a need to know such Confidential Information in connection with the Development, Manufacture or Commercialization of Probodies and PDCs that do not otherwise incorporate Pfizer Technology or Pfizer Improvements, or with respect to information licensed under Section 4.2.2, within the scope of such license (the "**Permitted Uses**"), and have entered into an agreement as described in (b) above, subject in each case to the exclusive rights expressly granted to Pfizer under Sections 2.1.6 and 4.5 above and, with respect to Developed IP disclosed as provided in (ii) above, the restrictions in Section 4.2.2.

7.2.2. **Disclosure to Third Parties**.

(a) Notwithstanding the foregoing provisions of Section 7.1, the Parties may disclose Confidential Information belonging to the other Party:

(i) to Governmental Authorities (A) in the case of Pfizer, subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, to the extent reasonably necessary to obtain or maintain INDs or Regulatory Approvals for any Licensed Product Targeting such Research Project Target within the Territory, (B) in the case of CytomX, with respect to CytomX Usable Developed IP, to the extent reasonably necessary to obtain or maintain INDs or Regulatory Approvals for any Probodies and PDCs within the Permitted Uses, and (C) in the case of either Party, in order to respond to inquiries, requests, investigations, orders or subpoenas of Governmental Authorities relating to this Agreement;

(ii) (A) in the case of Pfizer, subject to Pfizer exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, to outside consultants, contractors, advisory boards, managed care organizations, and non-clinical and clinical investigators, in each case to the extent reasonably necessary to Develop, Manufacture or Commercialize any Licensed Product Targeting such Research Project Target and under reasonable obligations of confidentiality, and (B) in the case of CytomX, with respect to CytomX Usable Developed IP, to outside consultants, contractors, advisory boards, managed care organizations, and non-clinical and clinical investigators, in each case to the extent reasonably necessary to Develop, Manufacture or Commercialize any Probodies and PDCs within the Permitted Uses and under reasonable obligations of confidentiality;

(iii) subject to Section 6.2.1(c), to the extent reasonably necessary, in connection with filing or prosecuting Patent Rights or Trademark rights as permitted by this Agreement;

(iv) to the extent reasonably necessary, in connection with prosecuting or defending litigation as permitted by this Agreement;

(v) (A) regarding the existence of this Agreement, this Agreement itself or the material and financial terms of this Agreement, to its accountants, lawyers, and other advisers, and to actual or potential investors, lenders, acquirers, investment bankers, or agents of the foregoing in connection with a financing, merger, or acquisition, and (B) to any other third parties in connection with the events in (A) with the consent of the disclosing Party, such

consent not to be unreasonably withheld, in each case (A)-(B) under confidentiality obligations no less restrictive than those set forth in this Agreement;

(vi) subject to Section 7.3.2, in connection with or included in scientific presentations and publications relating to Licensed Products, including abstracts, posters, journal articles and the like, and posting results of and other information about clinical trials to clinicaltrials.gov or PhRMA websites; and

(vii) to the extent necessary in order to enforce its rights under this Agreement.

All disclosures by CytomX under this Section 7.2.2(a) are subject in each case: to the exclusive rights expressly granted to Pfizer under Sections 2.1.6 and 4.5 above and, with respect to Developed IP licensed to CytomX under Section 4.2.2, to the restrictions in Section 4.2.2.

(b) In the event a Party deems it reasonably necessary to disclose Confidential Information belonging to the other Party pursuant to Section 7.2.2(a)(i)(C), the Disclosing Party shall to the extent possible give reasonable advance written notice of such disclosure to the other Party and take all reasonable measures to ensure confidential treatment of such information.

7.2.3. **SEC Filings and Other Disclosures**. Notwithstanding any provision of this Agreement to the contrary, either Party may disclose the terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with applicable Law, including the rules and regulations promulgated by the United States Securities and Exchange Commission or any equivalent governmental agency in any country in the Territory. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 7.2.3, the Parties will consult with one another on the terms of this Agreement to be redacted in making any such disclosure. Further, if a Party discloses this Agreement or any of the terms hereof in accordance with this Section 7.2.3, such Party shall, at its own expense, use Commercially Reasonable Efforts to seek such confidential treatment of confidential portions of this Agreement and such other terms, as may be reasonably requested by the other Party.

7.3. **Public Announcements; Publications**.

7.3.1. **Announcements**. Except as may be expressly permitted under Section 7.2.3, neither Party will make any public announcement regarding this

Agreement without the prior written approval of the other Party. For the sake of clarity, nothing in this Agreement shall prevent (a) either Party from making any public disclosure relating to this Agreement if the contents of such public disclosure have previously been made public other than through a breach of this Agreement by the issuing Party or its Affiliates; or (b) Pfizer, subject to its exercising the Option with respect to the applicable Research Project Target pursuant to Section 4.1.2, from making any scientific publication or public announcement with respect to any Licensed Product Targeting such Research Project Target under this Agreement; provided, however, that, except as permitted under Section 7.2, Pfizer shall not disclose any of CytomX's Confidential Information in any such publication or announcement without obtaining CytomX's prior written consent to do so. The Parties agree that CytomX may release the announcement attached hereto as Schedule 7.3.1 regarding the signing of this Agreement following the Effective Date. The Parties agree that CytomX may issue future announcements concerning Pfizer's achievement of any significant milestones, including the selection of a clinical candidate, under this Agreement, provided that the content of any such announcement has been mutually agreed upon by the Parties.

7.3.2. **Publications**. During the Term, each Party shall submit to the other Party (the "**Non-Disclosing Party**") for review and approval any proposed academic, scientific and medical publication or public presentation which contains the Non-Disclosing Party's Confidential Information. In addition, each Party shall submit to the other Party for review and approval any proposed publication or public presentation relating to data generated under the Research Program, provided that Pfizer shall not be required to submit any proposed publication or public presentation to CytomX for review and approval pursuant to this sentence to the extent such publication or presentation relates to any Research Project Target for which Pfizer has exercised its Option pursuant to this Agreement and to the extent consistent with Pfizer's normal and customary publication practices. In both instances, such review and approval will be conducted for the purposes of preserving the value of the Licensed Intellectual Property and [***] and determining whether any portion of the proposed publication or presentation containing the Non-Disclosing Party's Confidential Information should be modified or deleted. Written copies of such proposed publication or presentation required to be submitted hereunder shall be submitted to the Non-Disclosing Party no later than thirty (30) days before submission for publication or presentation (the "**Review Period**"). The Non-Disclosing Party shall provide its comments with respect to such publications and presentations within twenty (20) days after its receipt of such written copy, and the other Party shall delete any Confidential Information of the Non-Disclosing Party upon request. The Review Period may be extended for an additional sixty (60) days in the event the Non-Disclosing Party can, within fifteen (15) days of receipt of the written copy, demonstrate reasonable need for such extension, including for the preparation and filing of patent applications. CytomX and Pfizer will each comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties in any publication governed by this Section 7.3.2.

7.4. **Obligations in Connection with Change of Control**. If CytomX is subject to a Change of Control, CytomX will, and it will cause its Affiliates and Representatives to, ensure that no Confidential Information of Pfizer, other than with respect to the status of Development or Commercialization of a Licensed Product, is released to (a) any Affiliate of CytomX that becomes an Affiliate as a result of the Change of Control or (b) any Representatives of CytomX (or of the relevant surviving entity of such Change of Control) who become Representatives as a result of the Change of Control, unless such Representatives have signed individual confidentiality agreements which include equivalent obligations to those set out in this Article 7. If any Change of Control of CytomX occurs, CytomX shall promptly notify Pfizer, share with Pfizer the policies and procedures it plans to implement in order to protect the confidentiality of Pfizer's Confidential Information prior to such implementation and make any adjustments to such policies and procedures that are reasonably requested by Pfizer. Notwithstanding the foregoing, this Section 7.4 shall not be deemed to limit CytomX's right to disclose Developed IP that CytomX would otherwise have a right to use and disclose to a Third Party (i.e., if such Third Party did not acquire CytomX).

8. REPRESENTATIONS AND WARRANTIES.

8.1. **Mutual Representations and Warranties**. Each of CytomX and Pfizer hereby represents and warrants to the other Party that:

8.1.1. it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

8.1.2. the execution, delivery and performance of this Agreement by such Party has been duly authorized by all requisite action under the provisions of its charter, bylaws and other organizational documents, and does not require any action or approval by any of its shareholders or other holders of its voting securities or voting interests;

8.1.3. it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

8.1.4. this Agreement has been duly executed and is a legal, valid and Binding Obligation on each Party, enforceable against such Party in accordance with its terms; and

8.1.5. the execution, delivery and performance by such Party of this Agreement and its compliance with the terms and provisions hereof does not and will not conflict with or result in a breach of or default under any Binding Obligation existing as of the Effective Date.

8.2. **Representations and Warranties of CytomX**. CytomX hereby represents and warrants to Pfizer that as of the Effective Date:

8.2.1. CytomX is the sole and exclusive owner of, or otherwise Controls pursuant to a CytomX Third Party Agreement listed on Schedule 8.2.1, the CytomX Technology existing as of the Effective Date, all of which is free and clear of any claims, liens, charges or encumbrances;

8.2.2. it has and will have the full right, power and authority to grant all of the right, title and interest in the licenses and other rights granted or to be granted to Pfizer or Pfizer's Affiliates under this Agreement;

8.2.3. as of the Effective Date (a) Schedule 8.2.3 sets forth a true and complete list of all CytomX Patent Rights, (b) to CytomX's knowledge after reasonable inquiry, each such Patent Right outside of the United States owned by CytomX is in full force and effect and (c) each such Patent Right in the United States owned by CytomX is in full force and effect and (d) to CytomX's knowledge, each such Patent Right Controlled by CytomX pursuant to the UCSB Agreement is in full force and effect;

8.2.4. to its knowledge: (i) the CytomX Patent Rights existing as of the Effective Date, are, or, upon issuance, will be, valid and enforceable patents and (ii) as of the Effective Date, no Third Party (a) is infringing any CytomX Patent Right or (b) has challenged or threatened to challenge the extent, validity or enforceability of any CytomX Patent Right (including, by way of example, through the institution or threat of institution of interference, nullity or similar invalidity proceedings before the United States Patent and Trademark Office or any analogous foreign Governmental Authority);

8.2.5. to its knowledge, it and its counsel, and to its knowledge, UCSB and its counsel with respect to the Patent Rights subject to the UCSB Agreement, have complied with all Applicable Laws, including any disclosure requirements, in connection with the filing, prosecution and maintenance of the CytomX Patent Rights existing as of the Effective Date;

8.2.6. CytomX has independently developed all CytomX Know-How existing as of the Effective Date or otherwise has a valid right to use, and to permit Pfizer, Pfizer's Affiliates and Pfizer's Sublicensees to use, such CytomX Know-How for all permitted purposes under this Agreement;

8.2.7. it (or UCSB, with respect to the Patent Rights subject to the UCSB Agreement) has obtained from all inventors of CytomX Technology existing as of the Effective Date, valid and enforceable agreements assigning to CytomX (or to UCSB, with respect to the Patent Rights subject to the UCSB Agreement) each such inventor's entire right, title and interest in and to all such CytomX Technology;

8.2.8. except as expressly disclosed in Schedule 8.2.8, no CytomX Technology existing as of the Effective Date is subject to any funding agreement with any Governmental Authority;

8.2.9. except as expressly disclosed in Schedule 8.2.9, neither CytomX nor any of its Affiliates are subject to any agreement or obligation that limits any ownership or license right granted to Pfizer or its Affiliates under this Agreement, including any right granted to Pfizer or its Affiliates to access, practice, grant any licenses or sublicenses under, or provide Pfizer's Sublicensees with access to any intellectual property right or material (including any Patent Right, Know-How or other data or information), in each case, that would, but for such agreement or obligation, be included in the rights licensed or assigned to Pfizer or its Affiliates pursuant to this Agreement;

8.2.10. (a) there are no agreements between CytomX and any Third Party existing as of the Effective Date under which CytomX obtains rights in or to any Licensed Intellectual Property, other than the CytomX Third Party Agreements expressly disclosed in Schedule 8.2.10 (each, a "**Disclosed Third Party Agreement**"), true and complete copies of which have been provided to Pfizer, (b) except as provided in the Disclosed Third Party Agreements, no Third Party has any right, title or interest in or to, or any license under, any CytomX Technology, (c) no rights granted by or to CytomX or its Affiliates under any Disclosed Third Party Agreement conflict with any right or license granted to Pfizer or its Affiliates hereunder and (d) CytomX and its Affiliates are in compliance in all respects with all Disclosed Third Party Agreements, including all due diligence obligations of CytomX under the Disclosed Third Party Agreements;

8.2.11. to its knowledge, the use, practice or application by CytomX or Pfizer (or their respective Affiliates or Sublicensees) of any CytomX Technology does not and will not infringe any valid claim of an issued and unexpired patent of any Third Party (excluding, for clarity, any potential infringement that might arise solely as a result of the combination of any CytomX Technology with any other technology or intellectual property); and

8.2.12. there is no (a) claim, demand, suit, proceeding, arbitration, inquiry, investigation or other legal action of any nature, civil, criminal, regulatory or otherwise, pending or, to the knowledge of CytomX, threatened against CytomX or any of its Affiliates or (b) judgment or settlement against or owed by CytomX or any of its Affiliates, in each case in connection with the CytomX Technology or relating to the transactions contemplated by this Agreement.

8.2.13. The CytomX Letter and the Patent Rights licensed under the UCSB Agreement together set forth all Third Party Patent Rights of which CytomX is aware that are or may be relevant to the Licensed Intellectual Property, including the composition of, or any method of using or method of making or any Tools for Developing, any Probody, Mask, Substrate or PDC.

8.3. **CytomX Covenants**. In addition to the covenants made by CytomX elsewhere in this Agreement, CytomX hereby covenants to Pfizer that, from the Effective Date until expiration or termination of this Agreement:

8.3.1. except in CytomX's ordinary course of prosecution or in the course of enforcement of Patent Rights in accordance with the provisions of Article 6, or with Pfizer's prior written consent, it will not (a) take any action that conflicts with the rights under the Licensed Intellectual Property or Developed IP granted or assigned to Pfizer or Pfizer's Affiliates under this Agreement or (b) fail to take any action that is reasonably necessary to avoid a conflict with the rights under the Licensed Intellectual Property or Developed IP granted or assigned to Pfizer or Pfizer's Affiliates under this Agreement;

8.3.2. it will (a) not enter into any CytomX Third Party Agreement that conflicts with or limits (i) the rights granted to Pfizer or Pfizer's Affiliates hereunder or (ii) CytomX's ability to fully perform its obligations hereunder; (b) not amend, terminate or otherwise modify any CytomX Third Party Agreement (including any Disclosed Third Party Agreement) or consent or waive rights with respect thereto in any manner that adversely affects (i) the rights granted to Pfizer or Pfizer's Affiliates hereunder or (ii) CytomX's ability to fully perform its obligations hereunder; (c) promptly furnish Pfizer with copies of all (i) amendments to the Disclosed Third Party Agreements and (ii) CytomX Third Party Agreements and related amendments executed following the Effective Date; (d) fulfill, and cause its Affiliates to fulfill, all of their respective obligations under all CytomX Third Party Agreements (including Disclosed Third Party Agreements) so as not to be in breach of such agreements; (e) furnish Pfizer with copies of all notices received by CytomX or its Affiliates relating to any actual or alleged breach by CytomX or its Affiliates under any CytomX Third Party Agreement (including any Disclosed Third Party Agreement), and all other notices received by CytomX or its Affiliates in connection with any CytomX Third Party Agreement (including any Disclosed CytomX Third Party Agreement) that pertain to the rights granted to Pfizer or Pfizer's Affiliates hereunder, within five (5) Business Days after receipt thereof; and (f) in the event that CytomX does not resolve any such actual or alleged breach, notify Pfizer within a sufficient period of time before the expiration of the cure period for such actual or alleged breach under such CytomX Third Party Agreement such that Pfizer is able to cure or otherwise resolve such actual or alleged breach or default, and if Pfizer makes any payments to any Third Party in connection with the cure or other resolution of such breach or default, then Pfizer may credit the amount of such payments against any royalties or other amounts payable to CytomX pursuant to this Agreement.

8.3.3. it will not enter into any agreement or arrangement which limits the ownership rights of Pfizer or its Affiliates with respect to any Developed IP, or limits the ability of Pfizer or its Affiliates to grant a license, sublicense or access, or provide or provide access or other rights in, to or under, any intellectual property right or material (including any Patent Right, Know-How or other data or information), in each case, that is within the Licensed Intellectual Property, subject to the terms of CytomX Third Party Agreements accepted by Pfizer in accordance with Section 5.5.2(c) above; and

8.3.4. it will maintain agreements with all Persons acting by or on behalf of CytomX or its Affiliates under this Agreement which require such Persons to assign to CytomX their entire right, title and interest in and to all Patent Rights, Know-How or other intellectual property rights that are conceived or generated in the course of performing Research Plan Activities.

8.4. **Representation by Legal Counsel**. Each Party hereto represents that it has been represented by legal counsel in connection with this Agreement and acknowledges that it has participated in the drafting hereof. In interpreting and applying the terms and provisions of this Agreement, the Parties agree that no presumption shall exist or be implied against the Party which drafted such terms and provisions.

8.5. **Disclaimer**. THE FOREGOING REPRESENTATIONS AND WARRANTIES OF EACH PARTY ARE IN LIEU OF ANY OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY SPECIFICALLY EXCLUDED AND DISCLAIMED.

9. GOVERNMENT APPROVALS; TERM AND TERMINATION.

9.1. **Government Approvals**. Each of CytomX and Pfizer shall cooperate with the other Party and use Commercially Reasonable Efforts to make all registrations, filings and applications, to give all notices and to obtain as soon as practicable all governmental or other consents, transfers, approvals, orders, qualifications authorizations, permits and waivers, if any, and to do all other things necessary or desirable for the consummation of the transactions as contemplated hereby.

9.2. **Term**. The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall extend, unless this Agreement is terminated earlier in accordance with this Article 9, on a Licensed Product-by-Licensed Product and country-by-country basis, until such time as the Royalty Term with respect to the sale of such Licensed Product in such country expires. Notwithstanding the foregoing, this Agreement shall terminate upon the expiration of the last-to-expire Option Exercise Period if Pfizer has not elected to exercise any Option under Section 4.1.2 prior to such time.

9.3. **Termination by Either Party for Cause**. Except as otherwise provided in Section 3.2.5, either Party may terminate this Agreement, in its entirety or, at the terminating Party's option, on a Research Project Target-by-Research Project Target basis, at any time during the Term of this Agreement by giving written notice to the other Party if the other Party commits a material breach of its obligations under this Agreement and such breach remains uncured for ninety (90) days, measured from the date written notice of such breach is given to the breaching Party. Notwithstanding the foregoing, a Party shall have the right to terminate this Agreement pursuant to this Section 9.3 (a) in part with respect to an individual Research Project Target only if the other Party's material breach giving rise to such termination right relates to such Research Project Target or (b) in its entirety only if such material breach fundamentally frustrates the objectives of or transactions contemplated by this Agreement taken as a whole or affects substantially all of the Research Program.

9.4. **Termination by Pfizer for Convenience**. At any time after the one (1) year anniversary of the Effective Date, Pfizer shall have the right to terminate this Agreement for any or no reason, either in its entirety or on a Research Project Target-by-Research Project Target basis, by providing sixty (60) days advance written notice of such termination to CytomX.

9.5. **Termination on Insolvency of CytomX**. This Agreement may be terminated upon written notice by Pfizer at any time in the event of a CytomX Insolvency Event.

9.6. **Effects of Termination**.

9.6.1. **Effect of Termination by Pfizer for Cause**. If Pfizer terminates this Agreement with respect to any or all Research Project Targets pursuant to Section 9.3 (each, a "**Terminated Target**"):

(a) all work under the applicable Research Plan with respect to each Terminated Target shall cease, and CytomX shall have no further obligation to: (i) perform any of its obligations under the applicable Research Plan with respect to such Terminated Target, (ii) to provide any additional assistance under Section 4.1.9 related to such Terminated Target, or (iii) to disclose or provide any rights with respect to the Terminated Target under any Third Party agreements entered into after the date of termination pursuant to Section 5.5.2(c)(iii);

(b) if the Terminated Target is the Second Target, then Pfizer's Target replacement right under Section 2.1.4 shall terminate as of the date of such termination notice;

(c) all options and licenses granted to Pfizer with respect to such Terminated Target and any Licensed Product Targeting such Terminated Target (each, a "**Terminated Licensed Product**"), including under Section 4.1, shall continue and become irrevocable and perpetual and the Parties rights and obligations under Section 8.3 shall continue;

(d) Pfizer shall have no further obligations to CytomX under this Agreement with respect to any such Terminated Target or Terminated Licensed Product, other than (i) those obligations that expressly survive termination in accordance with Section 9.8, or (ii) as provided in this Section 9.6.1;

(e) Pfizer shall have an obligation to pay (i) except if such termination arises as a result of CytomX's breach of Sections 2.1.6, 4.5, 7 and 8.2.3 through 8.2.13, [***] of any Option Fee that becomes due with respect to such Terminated Target pursuant to Section 5.2; (ii) except if such termination arises as a result of CytomX's breach of Sections 2.1.6, 4.5, 7 and 8.2.3 through 8.2.13, [***] of Milestone Payments with respect to Terminated Licensed Products and (iii) royalties with respect to Net Sales of Terminated Licensed Products in accordance with the terms and conditions of this Agreement, in an amount equal to [***] of the amount that would otherwise have been payable under this Agreement, [***].

(f) Pfizer shall have the right to offset, against any payment owing to CytomX under subparagraph (b) above, any damages found or agreed by the Parties to be owed by CytomX to Pfizer;

(g) CytomX shall remain entitled to receive payments that accrued before the effective date of such termination;

(h) nothing in this Section 9.6.1 shall limit any other remedy Pfizer may have for CytomX's breach of this Agreement;

(i) the rights and obligations of the Parties with respect to all Research Project Targets other than any such Terminated Target shall remain in full force and effect; and

(j) for the avoidance of doubt, all licenses granted by Pfizer to CytomX under Section 4.2.1 shall terminate as of the effective date of such termination with respect to any such Terminated Target, and, if this Agreement is terminated in its entirety, all rights granted by Pfizer under Section 4.2.1 shall terminate as of the effective date of such termination. For clarity, the licenses granted by Pfizer to CytomX under Sections 4.2.2 and 4.3.2 shall survive any such termination.

9.6.2. **Effect of Termination by Pfizer on Insolvency of CytomX**. If Pfizer terminates this Agreement pursuant to Section 9.5:

(a) CytomX shall have no further obligation to perform any of its obligations under this Agreement (including CytomX's obligations under the Research Program and CytomX's obligations related to CytomX Third Party Agreements) other than those obligations that expressly survive termination of this Agreement in accordance with Sections 9.6.2(b) and 9.8 and without limiting Pfizer's right to cure or otherwise resolve any breach or alleged breach under any CytomX Third Party Agreement pursuant to Section 8.3.2;

(b) All options and licenses granted to Pfizer, including under Section 4.1.3 (but only with respect to a particular Research Project Target if Pfizer exercised its Option and paid the applicable Option Fee), shall continue and become, subject only to the royalty obligation set forth below in this Section 9.6.2(b), irrevocable and perpetual, the Parties' rights and obligations under Section 8.3 shall continue, and Pfizer shall have no further obligations to CytomX under this Agreement other than (i) those obligations that expressly survive termination in accordance with Section 9.8 and (ii) an obligation to pay royalties with respect to Net Sales of Licensed Products under Section 5.5 in accordance with the terms and conditions of this Agreement;

(c) CytomX shall remain entitled to receive payments that accrued before the effective date of such termination;

(d) Pfizer shall have the right to offset, against any payment owing to CytomX under subparagraph (b) above, any damages found or agreed by the Parties to be owed by CytomX to Pfizer; and

(e) nothing in this Section 9.6.2 shall limit any other remedy Pfizer may have for CytomX's breach of this Agreement.

9.6.3. **Effect of Termination by CytomX for Cause or by Pfizer for Convenience**.

(a) If CytomX terminates this Agreement with respect to any Research Project Target pursuant to Section 9.3, or if Pfizer terminates this Agreement with respect to any Research Project Target pursuant to Section 9.4, then all licenses and options granted by CytomX to Pfizer under Sections 4.1.1 and 4.1.3 with

respect to any such Research Project Target and any Licensed Product Targeting such Research Project Target shall terminate. Upon any such termination, the following provisions shall apply:

(i) CytomX shall have no further obligation to perform any of its obligations under the Research Program, or provide any additional assistance under Section 4.1.9, with respect to such Research Project Target;

(ii) any Research Project Target with respect to which this Agreement has been terminated shall no longer be considered a Research Project Target for all purposes of this Agreement, including Sections 2.1.6, 3.5, 4.5.1, and 6.2.2, without limiting any obligations under Section 7;

(iii) CytomX shall remain entitled to receive payments that accrued before the effective date of such termination; and

(iv) If the termination is with respect to the Second Target and Pfizer has not exercised its Target replacement right under Section 2.1.4 prior to the date of the termination notice, then such Target replacement right shall terminate as of the date of such termination notice.

(b) If CytomX terminates this Agreement in its entirety pursuant to Section 9.3, or if Pfizer terminates this Agreement in its entirety pursuant to Section 9.4: (i) all licenses and options granted by CytomX to Pfizer under this Agreement, excluding those granted under Sections 4.1.4, 4.1.5 and 4.3.1, shall terminate, (ii) the licenses granted by Pfizer to CytomX under Sections 4.2.2 and 4.3.2 shall survive such termination, and (iii) CytomX shall have no further obligations to Pfizer, and Pfizer no further rights, under this Agreement other than those rights and obligations that expressly survive termination in accordance with Section 9.8.

(c) If Pfizer, pursuant to Section 9.4, terminates this Agreement in its entirety or solely with respect to EGFR after the initiation of dosing of the first subject in a Phase I Clinical Study with respect to a Licensed Product Targeting EGFR, then the Parties, upon CytomX's written request made within [***] after the effective date of termination, shall for a period of [***] negotiate in good faith the terms and conditions of a license to CytomX, under relevant Pfizer Technology and Developed IP Controlled by Pfizer (including any PDC Developed IP), to Develop and Commercialize the EGFR Continuation Product, such terms and conditions to be mutually agreeable, reasonable and customary.

(d) If Pfizer, pursuant to Section 9.4, terminates this Agreement with respect to any Research Project Target (either by terminating this Agreement in its entirety or solely with respect to such Research Project Target) after Pfizer exercises its Option with respect to such Research Project Target and prior to initiation of dosing of the first subject in a Phase I Clinical Study of a Licensed Product Targeting such Research Project Target, then the Parties, upon CytomX's written request made within [***] after the effective date of termination, shall for a period of [***] negotiate in good faith the terms and conditions of a license to CytomX, under relevant Developed IP Controlled by Pfizer, to Develop and Commercialize PDCs Targeting such Research Project Target; provided that, for clarity, such license shall not include any rights under any Pfizer Technology or Pfizer Improvement.

(e) For the avoidance of doubt, if CytomX terminates this Agreement with respect to any Research Project Target pursuant to Section 9.3, or if Pfizer terminates this Agreement with respect to any Research Project Target pursuant to Section 9.4, in each case including all Research Project Targets in the event that this Agreement is terminated in its entirety, any such Research Project Target will no longer be considered to be a Research Project Target for the purpose of this Agreement.

9.6.4. **Satisfaction of Obligations During Notice Period**. During the period from providing a notice of termination through the termination of the Agreement, the Parties shall continue to perform their obligations under this Agreement.

9.6.5. **Pending Dispute Resolution**. If a Party gives notice of termination under Section 9.3 and the other Party disputes whether such notice was proper, then the issue of whether this Agreement has been terminated shall be resolved in accordance with Section 11.9 and this Agreement shall remain in effect pending the resolution of such dispute. If as a result of such dispute resolution process it is determined that the notice of termination was proper, then such termination shall be effective immediately. If as a result of such dispute resolution process it is determined that the notice of termination was improper, then no termination shall have occurred and this Agreement shall remain in effect.

9.7. **Disposition of Inventories of Products**. Following termination of this Agreement with respect to one or more Research Project Targets, Pfizer, its Affiliates and its Sublicensees shall have the right to continue to sell their existing inventories of Licensed Product(s) Targeting such Research Project Targets that have received Regulatory Marketing Approval prior to such termination for a period not to exceed [***] after the effective date of such termination or expiration and Pfizer shall pay any royalties payable in connection with such sales in accordance with Section 5.5.

9.8. **Survival of Certain Obligations**. Expiration or termination of this Agreement shall not relieve the Parties of any obligation that accrued before such expiration or termination. The following provisions shall survive expiration or termination of this Agreement: Sections 2.11, 2.12.3, 2.12.4, 2.12.5, 4.1.4, 4.1.5, 4.1.7 (solely with respect to any licenses that survive such expiration or termination), 4.2.2, 4.3, 4.4, 4.6, 5.3.4 (for the period set forth therein), 5.6 (for any payment obligations accrued prior to such termination or expiration), 5.7.1 (for the period set forth therein), 5.7.2 (for the period set forth therein), 5.7.3, 5.7.4, 6.1, 6.2.1(a), 6.2.1(e), and Articles 1, 7, 10 (provided that obligations under Section 10.5 shall only survive for [***] after termination or expiration), and 11. For avoidance of doubt, any other Section that explicitly states it survives expiration or termination of this Agreement shall so survive.

9.9. **Right to Termination of Research Project(s) or Research Program by Pfizer upon Change of Control of CytomX**. If a Change of Control of CytomX is consummated during any Research Term, Pfizer shall have the right to terminate any Research Project or the Research Program in its entirety (in each case, without terminating the associated Option(s)), upon written notice to CytomX within [***] after consummation of such Change of Control of CytomX, such termination effective [***] after Pfizer's notice. Such termination of any Research Project or the Research Program (a) shall not constitute termination of this Agreement, (b) shall not affect the Parties' rights and obligations under this Agreement other than those relating to such Research Project or the Research Program and (c) shall not relieve either Party of any obligation that arose prior to such termination. Following any such termination of any Research Project or the Research Program, as applicable, Pfizer shall have no further funding obligation under Article 2 or Section 5.3 with respect to such Research Project or the Research Program, as applicable, other than that which may have accrued prior to such termination. In addition, if, at any time following a Change of Control of CytomX consummated during any Research Term, CytomX or its successor fails to perform its obligations under the Research Program in any material respect, then, effective upon written notice to CytomX or its successor, Pfizer shall have the right to terminate any Research Project or the Research Program in its entirety pursuant to this Section 9.9, and CytomX, upon Pfizer's request, shall promptly transfer to a Third Party designated by Pfizer, at no additional cost to Pfizer, such CytomX Know-How and CytomX Improvements, including related materials, as is necessary for such Third Party to complete all activities allocated to CytomX under such Research Project or the Research Program, as applicable (which Third Party shall agree in writing to be bound by terms providing for Pfizer rights no less favorable to Pfizer than the rights granted to Pfizer in this Agreement). For the avoidance of doubt, in the event that Pfizer terminates a Research Project or the Research Program in accordance with this Section 9.9, such termination will not be deemed to be a termination for cause under Section 9.3 or a termination for convenience under Section 9.4, and the only effects of such termination are as set forth in this Section 9.9. Notwithstanding any provision of this Agreement to the contrary, nothing in this Section 9.9 shall limit, or preclude Pfizer from seeking, any other remedy Pfizer may have for CytomX's breach of this Agreement; provided that Pfizer may not seek remedy under both this Section 9.9 and Section 9.3 with respect to the same performance failure by CytomX or its successor.

9.10. **Effects of CytomX Change of Control**. In the event of a CytomX Change of Control during the Term, the following provisions of this Section 9.10 shall apply:

9.10.1. **Certain Terms Regarding Intellectual Property**.

(a) **CytomX Intellectual Property.** [***]

(b) **Existing Acquirer Intellectual Property.** [***]

(c) **Independent Intellectual Property.** [***]

9.10.2. **Effect on Certain Agreement Provisions.** [***]

10. LIMITATION ON LIABILITY, INDEMNIFICATION AND INSURANCE.

10.1. **No Consequential Damages**. Except with respect to liability arising from a breach of Article 7, from any willful misconduct or intentionally wrongful act, or to the extent such Party may be required to provide indemnification under this Article 10, in no event will either Party, its Affiliates, its Sublicensees or any of its, its Affiliates' or its Sublicensees' respective Representatives be liable under this Agreement for any special, indirect, incidental, consequential or punitive damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including loss of profits or revenue suffered by either Party or any of its respective Affiliates or Representatives. Without limiting the generality of the foregoing, "consequential damages" will be deemed to include, and neither Party will be liable to the other Party or any of such other Party's Affiliates, Representatives or stockholders for, any damages based on or measured by loss of projected or speculative future sales of the Licensed Products, any Milestone Payment due upon any unachieved event under Section 5.4, any unearned royalties under Section 5.5 or any other unearned, speculative or otherwise contingent payments provided for in this Agreement.

10.2. **Indemnification by Pfizer**. Pfizer will indemnify, defend and hold harmless CytomX, its Affiliates and each of its and their respective employees, officers, directors and agents (each, a "**CytomX Indemnified Party**") from and against any and all liability, loss, damage, expense (including reasonable attorneys' fees and expenses) and cost (collectively, a "**Liability**") that the CytomX Indemnified Party may be required to pay to one or more Third Parties resulting from or arising out of:

10.2.1. Development, Manufacture, Commercialization or use of any Licensed Product by, on behalf of, or under the authority of, Pfizer (other than by any CytomX Indemnified Party), other than claims for which CytomX is required to indemnify Pfizer pursuant to Section 10.3; or

10.2.2. the material breach by Pfizer of any of its representations, warranties or covenants set forth in this Agreement;

except, in each case, to the extent caused by the negligence, recklessness or intentional acts of CytomX or any CytomX Indemnified Party.

10.3. **Indemnification by CytomX**. CytomX will indemnify, defend and hold harmless Pfizer, its Affiliates, Sublicensees, contractors, distributors and each of its and their respective employees, officers, directors and agents (each, a "**Pfizer Indemnified Party**") from and against any and all Liabilities that the Pfizer Indemnified Party may be required to pay to one or more Third Parties resulting from or arising out of:

10.3.1. any claim that the exercise of rights under the Licensed Intellectual Property by, on behalf of, or under the authority of Pfizer (other than by any CytomX Indemnified Party) to Develop, Manufacture, Commercialize or use any Licensed Product infringes any Third Party Patent Rights listed on the CytomX Letter; provided that all amounts due any Third Party under this Section 10.3.1, including damages awarded, and any royalties payable under any license or settlement entered into by Pfizer related to any such Liability (together with litigation expenses of Pfizer in undertaking the defense of any such claim) shall be deemed payments under an Additional Third Party License and fifty percent (50%) of such amounts shall be offset against royalties due CytomX under this Agreement as set forth in Section 5.5.2(b) (subject to the three percent (3%) minimum specified therein). Notwithstanding Section 10.4.2, such right of offset under Section 5.5.2(b) shall be the sole and exclusive remedy with respect to the indemnity under this Section 10.3.1;

10.3.2. other than for claims described in Section 10.3.1 or claims arising from or directed to the Development, Manufacture, Commercialization or use of any Licensed Product by a Pfizer Indemnitee (whether or not the Licensed Product was developed by CytomX in the performance of Research Plan Activities), the use of any Licensed Intellectual Property for the Development, Manufacture, Commercialization or use of any products by, on behalf of, or under the authority of, CytomX (other than by any Pfizer Indemnified Party); or

10.3.3. the material breach by CytomX of any of its representations, warranties or covenants set forth in this Agreement;

except to the extent caused by the negligence, recklessness or intentional acts of Pfizer or any Pfizer Indemnified Party.

10.4. **Procedure**.

10.4.1. **Notice**. Each Party will notify the other Party in writing in the event it becomes aware of a claim for which indemnification may be sought hereunder. In the event that any Third Party asserts a claim or other proceeding (including any governmental investigation) with respect to any matter for which a Party (the "**Indemnified Party**") is entitled to indemnification hereunder (a "**Third Party Claim**"), then the Indemnified Party shall promptly notify the Party obligated to indemnify the Indemnified Party (the "**Indemnifying Party**") thereof; 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 prejudiced thereby.

10.4.2. **Control**. Subject to Pfizer's right to control any actions described in Section 6.2 (even where CytomX is the Indemnifying Party), the Indemnifying Party shall have the right, exercisable by notice to the Indemnified Party within [***] after receipt of notice from the Indemnified Party of the commencement of or assertion of any Third Party Claim, to assume direction and control of the defense, litigation, settlement, appeal or other disposition of the Third Party Claim (including the right to settle the claim solely for monetary consideration) with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party; provided that (a) the Indemnifying Party has sufficient financial resources, in the reasonable judgment of the Indemnified Party, to satisfy the amount of any adverse monetary judgment that is sought, (b) the Third Party Claim seeks solely monetary damages and (c) the Indemnifying Party expressly agrees in writing that as between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be solely obligated to satisfy and discharge the Third Party Claim in full (the conditions set forth in clauses (a), (b) and (c) above are collectively referred to as the "**Litigation Conditions**"). Within [***] after the Indemnifying Party has given notice to the Indemnified Party of its exercise of its right to defend a Third Party Claim, the Indemnified Party shall give notice to the Indemnifying Party of any objection thereto based upon the Litigation Conditions. If the Indemnified Party reasonably so objects, the Indemnified Party shall continue to defend the Third Party Claim, at the expense of the Indemnifying Party, until such time as such objection is withdrawn. If no such notice is given, or if any such objection is withdrawn, the Indemnifying Party shall be entitled, at its sole cost and expense, to assume direction and control of such defense, with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party. During such time as the Indemnifying Party is controlling the defense of such Third Party Claim, the Indemnified Party shall cooperate, and shall cause its Affiliates and agents to cooperate upon request of the Indemnifying Party, in the defense or prosecution of the Third Party Claim, including by furnishing such records, information and testimony and attending such conferences, discovery proceedings, hearings, trials or appeals as may reasonably be requested by the Indemnifying Party. In the event that the Indemnifying Party does not satisfy the Litigation Conditions or does not

notify the Indemnified Party of the Indemnifying Party's intent to defend any Third Party Claim within [***] after notice thereof, the Indemnified Party may (without further notice to the Indemnifying Party) undertake the defense thereof with counsel of its choice and at the Indemnifying Party's expense (including reasonable, out-of-pocket attorneys' fees and costs and expenses of enforcement or defense). The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to join in (including the right to conduct discovery, interview and examine witnesses and participate in all settlement conferences), but not control, at its own expense, the defense of any Third Party Claim that the other Party is defending as provided in this Agreement.

10.4.3. **Settlement**. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, enter into any compromise or settlement that commits the Indemnified Party to take, or to forbear to take, any action. The Indemnified Party shall have the sole and exclusive right to settle any Third Party Claim, on such terms and conditions as it deems reasonably appropriate, to the extent such Third Party Claim involves equitable or other non-monetary relief, but shall not have the right to settle such Third Party Claim to the extent such Third Party Claim involves monetary damages without the prior written consent of the Indemnifying Party. Each of the Indemnifying Party and the Indemnified Party shall not make any admission of liability in respect of any Third Party Claim without the prior written consent of the other Party, and the Indemnified Party shall use reasonable efforts to mitigate Liabilities arising from such Third Party Claim.

10.5. **Insurance**. Each Party shall obtain and maintain, during the Term, commercial general liability insurance, including products liability insurance, with reputable and financially secure insurance carriers (or pursuant to a program of self-insurance reasonably satisfactory to the other Party) to cover its indemnification obligations under Section 10.2 or Section 10.3, as applicable, in each case with limits of not less than $3,000,000 per occurrence and in the aggregate. Insurance (other than permitted self-insurance) shall be procured with carriers having an A.M. Best Rating of A-VII or better.

11. MISCELLANEOUS.

11.1. **Assignment**. CytomX may not assign this Agreement without the prior written consent of Pfizer, which consent will not be unreasonably withheld or delayed; provided, however, that CytomX may, without the written consent of Pfizer, assign this Agreement in connection with the transfer or sale of all or substantially all of its business, through merger, sale of assets or sale of stock or ownership interest. Pfizer may not assign this Agreement or any interest hereunder without the prior written consent of CytomX, which consent will not be unreasonably withheld or delayed, except that this Agreement may be assigned as follows: (a) Pfizer may assign its rights and obligations under this Agreement by way of sale of itself or the sale of the portion of its business to which this Agreement relates, through merger, sale of assets or sale of stock or ownership interest and (b) Pfizer

may assign its rights and obligations under this Agreement to any of its Affiliates; provided that if such assignment would result in withholding or other similar taxes becoming due on payments to CytomX under this Agreement, then any such assignment will require CytomX's prior written consent absent an express agreement by Pfizer or the assignee to pay or reimburse CytomX for any such taxes resulting from such assignment, such consent not to be unreasonably withheld or delayed. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 11.1 shall be void.

11.2. **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

11.3. **Force Majeure**. Each Party shall be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by 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 Commercially Reasonable Efforts to resume performance. For purposes of this Agreement, "force majeure" shall include conditions beyond the control of the Parties, including an act of God, voluntary or involuntary compliance with any Applicable Law or order of any government, war, act of terror, civil commotion, labor strike or lock-out, epidemic, failure or default of public utilities or common carriers, or destruction of production facilities or materials by fire, earthquake, storm or like catastrophe.

11.4. **Notices**. Any notice or notification required or permitted to be provided pursuant to the terms and conditions of this Agreement (including any notice of force majeure, breach, termination, change of address, etc.) shall be in writing and shall be deemed given upon receipt if delivered personally or by facsimile transmission (receipt verified), five days after deposited in the mail if mailed by registered or certified mail (return receipt requested) postage prepaid, or on the next Business Day if sent by overnight delivery using a nationally recognized express courier service and specifying next Business Day delivery (receipt verified), to the Parties at the following addresses or facsimile numbers (or at such other address or facsimile number for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

All correspondence to Pfizer shall be addressed as follows:

Pfizer Inc.
Notices: R&D Business Development
235 East 42nd Street
New York, NY 10017
Attn.: R&DBD Contract Notice

with a copy to:

Pfizer Inc.
Notices: Pfizer Legal Division
235 East 42nd Street
New York, NY 10017
Attn.: Chief Counsel, R&D
[***]

To help expedite Pfizer's awareness and response, copies of notices may be provided to Pfizer by email but must be supplemented by one of the following methods: (a) personal delivery, (b) first class certified mail with return receipt requested, or (c) next-day delivery by major international courier, with confirmation of delivery. Electronic copies may be sent via email to [***].

All correspondence to CytomX shall be addressed as follows:

CytomX Therapeutics, Inc.
650 Gateway Blvd., Suite 125
South San Francisco, CA 94080-7014
Attn: CEO

Fax: 1-650-351-0353

with a copy to:

[***]

11.5. **Amendment**. No amendment, modification or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

11.6. **Waiver**. No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer of the waiving Party. The waiver by either of the Parties of any breach of any provision hereof by the other Party shall not be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

11.7. **Severability**. If any clause or portion thereof in this Agreement is for any reason held to be invalid, illegal or unenforceable, the same shall not affect any other portion of this Agreement, as it is the intent of the Parties that this Agreement shall be construed in such fashion as to maintain its existence, validity and enforceability to the greatest extent

possible. In any such event, this Agreement shall be construed as if such clause or portion thereof had never been contained in this Agreement, and there shall be deemed substituted therefor such provision as will most nearly carry out the intent of the Parties as expressed in this Agreement to the fullest extent permitted by Applicable Law.

11.8. **Descriptive Headings**. The descriptive headings of this Agreement are for convenience only and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement.

11.9. **Dispute Resolution**. If any dispute or disagreement arises between Pfizer and CytomX in respect of this Agreement, they shall follow the following procedures in an attempt to resolve the dispute or disagreement:

11.9.1. The Party claiming that such a dispute exists shall give notice in writing (a "**Notice of Dispute**") to the other Party of the nature of the dispute.

11.9.2. Within fourteen (14) days of receipt of a Notice of Dispute, the Pfizer Alliance Manager and the CytomX Alliance Manager shall meet in person or by teleconference 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.

11.9.3. If the Alliance Managers are unable to resolve the dispute during the meeting described in Section 11.9.2 or if for any reason such meeting does not take place within the period specified in Section 11.9.2, then the dispute will be referred to the JRC which shall meet no later than forty-five (45) days following the initial receipt of the Notice of Dispute and use reasonable endeavors to resolve the dispute.

11.9.4. If the JRC is unable to resolve the dispute during the meeting described in Section 11.9.3 or if for any reason such meeting does not take place within the period specified in Section 11.9.3, then the Senior Vice President and Chief Scientific Officer, Oncology Research Unit, of Pfizer and the Chief Executive Officer of CytomX shall meet at a mutually agreed-upon time and location for the purpose of resolving such dispute.

11.9.5. If, within a further period of thirty (30) days, or if in any event within ninety (90) days of initial receipt of the Notice of Dispute, the dispute has not been resolved, or if, for any reason, the meeting described in Section 11.9.4 has not been held within ninety (90) days of initial receipt of the Notice of Dispute, then the Parties agree that either Party may initiate litigation to resolve the dispute.

11.9.6. Notwithstanding any provision of this Agreement to the contrary, either Party may immediately initiate litigation in any court of competent jurisdiction seeking any remedy at law or in equity, including the issuance of a preliminary,

temporary or permanent injunction, to preserve or enforce its rights under this Agreement. The provisions of this Section 11.9 will survive for five (5) years from the date of termination or expiration of this Agreement.

11.10. **Governing Law**. This Agreement, and all claims arising under or in connection therewith, shall be governed by and interpreted in accordance with the substantive laws of the State of Delaware, without regard to conflict of law principles thereof.

11.11. **Consent to Jurisdiction**. Each Party to this Agreement, by its execution hereof, (a) hereby irrevocably submits to the exclusive jurisdiction of the state courts of the State of Delaware or the United States District Court for the District of Delaware for the purpose of any and all actions, suits or proceedings arising in whole or in part out of, related to, based upon or in connection with this Agreement or the subject matter hereof, (b) hereby waives to the extent not prohibited by Applicable Law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such action brought in one of the above-named courts should be dismissed on grounds of forum non conveniens, should be transferred to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (c) hereby agrees not to commence any such action other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action to any court other than one of the above-named courts whether on the grounds of inconvenient forum or otherwise.

11.12. **Entire Agreement**. This Agreement, including its Exhibits and Schedules, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties and cancels and supersedes any and all prior negotiations, correspondence, understandings and agreements, whether oral or written, between the Parties respecting the subject matter hereof and thereof, including the Confidentiality Agreement which is hereby terminated effective as of the Effective Date, provided that such Confidentiality Agreement will continue to govern the treatment of Confidential Information disclosed by the Parties prior to the Effective Date in accordance with its terms.

11.13. **Independent Contractors**. Both Parties are independent contractors under this Agreement. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party shall have any express or implied power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

11.14. **Counterparts**. This Agreement may be executed in two counterparts, each of which shall be an original and both of which shall constitute together the same document. Counterparts may be signed and delivered by facsimile or PDF file, each of which shall be binding when received by the applicable Party.

11.15. **No Third Party Rights or Obligations**. No provision of this Agreement shall be deemed or construed in any way to result in the creation of any rights or obligation in any Person not a Party to this Agreement. However, Pfizer may decide, in its sole discretion, to use one or more of its Affiliates to perform its obligations and duties hereunder, provided that Pfizer shall remain liable hereunder for the performance by any such Affiliates of any such obligations.

[The remainder of this page has been intentionally left blank. The signature page follows.]

IN WITNESS WHEREOF, duly authorized representatives of the Parties have duly executed this Agreement to be effective as of the Effective Date.

PFIZER INC.

By: /s/ Mikael Dolsten
Name: Mikael Dolsten
Title: Worldwide Research and Development

CYTOMX THERAPEUTICS, INC.

By: /s/ Sean McCarthy
Name: Sean McCarthy
Title: CEO

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit 2.3.1
EGFR Research Plan

[***]†

†**Eight pages of text have been omitted.**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 1.51

EGFR

[***]†

†**Three pages of text have been omitted.**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 1.54

EGFR Probody

[***]†

†**One page of text has been omitted.**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 1.159

Tool Patent Rights

Title	CYTX Ref No.	CY	Serial No. / Issue No.	Filing / Issue Dates	Priority Dates	Status	Assignee	Pub No.	Pub Date

[***]†

†**One page of text has been omitted.**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 6.2.1(d)
Countries for Filing National Phase Applications (Part A and Part B)

[***]†

†**One page of text has been omitted**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 7.3.1
Press Release

CytomX Announces Global Strategic Collaboration with Pfizer to Develop and Commercialize Multiple Probody™-Drug Conjugates in Oncology

CytomX Eligible to Receive Approximately $25 Million in Upfront and Pre-Clinical Milestone Payments, $610 Million in Regulatory and Sales Milestones, Plus Tiered Royalties on Sales

SOUTH SAN FRANCISCO – DATE XX, 2013 – CytomX Therapeutics, Inc., a biotechnology company developing a new generation of targeted antibody therapeutics, today announced that it has entered into a global strategic collaboration with Pfizer Inc. to develop and commercialize multiple Probody™-Drug Conjugates (PDCs). CytomX's novel Probody Platform brings to the collaboration a proprietary, highly differentiated approach to developing safer and more effective antibody-drug conjugates (ADCs). PDCs are engineered to combine cytotoxic agents with masked Probodies that remain inert in healthy tissue but are activated specifically in the tumor microenvironment, opening up new target space for this emerging therapeutic class.

"Combining our novel Probody Platform with Pfizer's broad capabilities in ADCs marks an important milestone for CytomX and underscores the potential of our Probody Platform to enable new generations of empowered antibodies," said Sean McCarthy, D.Phil., chief executive officer of CytomX. "Our innovative science is driving the development of groundbreaking Probodies and PDCs that have already demonstrated preclinical activity when selectively activated within the tumor microenvironment. We look forward to collaborating with Pfizer with the aim of researching and developing highly differentiated PDC products that have the potential to change the way cancer is treated."

Under the terms of the agreement, Pfizer has exclusive rights to pursue development and commercialization of select PDCs. The companies will work together on preclinical research and Pfizer will be responsible for development and potential commercialization of any selected PDCs. CytomX will be eligible to receive up-front and pre-clinical milestone payments totaling approximately $25 million and approximately $610 million in regulatory and sales milestone payments, as well as tiered royalties reaching double digits on potential future sales.

"This partnership is a great example of how Pfizer is seeking to innovate new capabilities in cutting-edge science and technology platforms with the aim of delivering safer, more effective cancer medicines to patients," said Robert T. Abraham, senior vice president and chief scientific officer, Pfizer's Oncology Research Unit. "Pfizer's investment in CytomX's emerging **Probody** Platform is an important component of our overall strategic focus to advancing the next generation of ADCs and reflects the disruptive potential of this approach."

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

About The CytomX Probody™ Platform

CytomX's novel Probody™ Platform is enabling the development of a diversified pipeline of next-generation empowered antibodies, including Probodies, Probody-Drug Conjugates (PDCs), bispecifics, and other formats, to address previously undruggable targets in cancer, inflammation, and other significant unmet medical needs. Probodies have the potential to expand the therapeutic window for targets where therapeutic intervention is expected to have a significant impact on the disease, but also where normal tissue expression patterns are too widespread to allow for adequate safety margins using conventional antibody approaches. CytomX's Probodies are fully recombinant masked antibodies that remain inert in healthy tissue but are activated specifically in the disease microenvironment. Probodies leverage dysregulated protease activity, a hallmark of many diseased states, to locally activate in the disease tissue thereby achieving unprecedented levels of tissue-specific targeting.

About CytomX

CytomX Therapeutics is a biotechnology company developing a new generation of highly targeted antibody therapeutics with the potential to transform lives with safer, more effective therapies. CytomX's Probody™ Platform offers a highly differentiated approach to discovering and developing empowered antibodies and is enabling the development of a diversified pipeline addressing previously undruggable targets in major unmet medical needs including cancer and inflammation. Probodies are masked antibodies that remain inert in healthy tissue but are activated specifically in the disease microenvironment. This improved selectivity allows CytomX to open a therapeutic window for high potential, but previously inaccessible targets, and to expand the therapeutic index of existing, validated targets, thereby redefining the landscape for therapeutic antibodies. CytomX is led by a seasoned and proven management team and is financed by leading life science investors including Third Rock Ventures, Canaan Partners and the Roche Venture Fund. For more information, please visit www.cytomx.com.

# # #

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Schedule 8.2.1
CytomX Third Party Agreements

Amended and Restated License Agreement between Regents of the University of California through its Santa Barbara Campus and CytomX Therapeutics, entered into on August 19, 2010

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 8.2.3
CytomX Patent Rights

Schedule 1.159 is incorporated herein as are the following patent rights:

Title	CYTX Ref No.	CY	Serial No. / Issue No.	Filing / Issue Dates	Priority Dates	Status	Assignee	Pub No.	Pub Date

[***]†

†**Two pages of text have been omitted.**

***Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 8.2.8
Government Funding Agreements

Federal Grant Nos. 1 U54 CA119335-01 and R43CA132498-01A1, awarded by the National Institutes of Health to University of California Santa Barbara

SBIR Grant No. 1R43C139790-01, awarded by the National Institutes of Health to CytomX Therapeutics

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 8.2.9
Agreements Limiting IP Rights

None

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Schedule 8.2.10
Disclosed Third Party Agreements

Amended and Restated License Agreement between Regents of the University of California through its Santa Barbara Campus and CytomX Therapeutics, entered into on August 19, 2010

*****Certain information contained herein has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.**

Exhibit 23.1

The reverse stock split described in Note 3 to the financial statements has not been consummated at September 28, 2015. When it has been consummated, we expect to be in a position to furnish the following consent.

/s/ PricewaterhouseCoopers LLP
San Jose, California
September 28, 2015

"CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 3 to Registration Statement on Form S-1 of CytomX Therapeutics, Inc. of our report dated July 24, 2015, except for the effects of the reverse stock split described in Note 3 as to which the date is , relating to the financial statements of CytomX Therapeutics, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

San Jose, California"

Exhibit 24.2

POWER OF ATTORNEY

The undersigned director of CytomX Therapeutics, Inc. (the "Company"), hereby constitutes and appoints Sean A. McCarthy and Robert C. Goeltz II, and each of them singly, our true and lawful attorneys, with full power to them, and to each of them singly, to sign for the undersigned and in the undersigned's name in the capacities indicated below, Amendment No. 3 to 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 the undersigned 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. This Power of Attorney does not revoke any power of attorney previously granted by the undersigned.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 28th day of September, 2015.

/s/ Matthew P. Young
Name: Matthew P. Young