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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 6, 2015

Kura Oncology, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**000-53058**	**61-1547851**
(State of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

11119 N. Torrey Pines Road, Suite 125
La Jolla, CA 92037
(Address of principal executive offices)

Registrant's telephone number, including area code: (858) 500-8800

Zeta Acquisition Corp. III
c/o Equity Dynamics Inc.
666 Walnut Street, Suite 2116
Des Moines, Iowa 50309
(Former name or former address, if changed since last report)

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

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement.

The disclosures set forth in Item 2.01 hereof are hereby incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Pursuant to an Agreement and Plan of Merger dated March 6, 2015, or the Merger Agreement, by and among Zeta Acquisition Corp. III, which, unless otherwise indicated, we refer to as the Company, we, our and us; Kura Operations, Inc., a Delaware corporation and wholly-owned subsidiary of the Company, or Merger Sub; and Kura Oncology, Inc., a Delaware corporation, which, unless otherwise indicated, we refer to as Kura; Merger Sub merged with and into Kura, with Kura remaining as the surviving entity and a wholly-owned operating subsidiary of the Company. This transaction is referred to throughout this report as the "Merger." The Merger was effective on March 6, 2015, upon the filing of a Certificate of Merger with the Secretary of State of the State of Delaware. As part of the Merger, Kura changed its name to Kura Operations, Inc. A copy of the Merger Agreement is filed herewith as Exhibit 2.1, and is incorporated herein by reference.

Immediately following the Merger, a newly organized wholly-owned subsidiary of the Company named "Kura Oncology, Inc.", or Name Change Merger Sub, merged with and into the Company, leaving the Company as the surviving corporation. We refer to this transaction as the "Name Change Merger." In connection with the Name Change Merger, we relinquished our corporate name "Zeta Acquisition Corp. III" and assumed in its place the name "Kura Oncology, Inc." The Name Change Merger and name change became effective on March 6, 2015, upon the filing of a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware. A copy of the Certificate of Ownership and Merger is filed herewith as Exhibit 3.4, and is incorporated herein by reference.

At the effective time of the Merger, or the Effective Time, the legal existence of Merger Sub ceased and each share of Kura common stock that was issued and outstanding immediately prior to the Effective Time was automatically exchanged for 0.5 shares of our common stock, which we refer to as the Exchange. We issued an aggregate of 14,508,177 shares of our common stock upon the Exchange. In addition, at the Effective Time, we assumed Kura's 2014 Equity Incentive Plan and concurrently approved the amendment and restatement of the Kura 2014 Equity Incentive Plan pursuant to our Amended and Restated 2014 Equity Incentive Plan, or 2014 plan, effective upon the date that is 20 days after the mailing of a definitive Schedule 14C information statement to our pre-Merger stockholders. As of the Effective Time, there were no outstanding options to purchase shares of Kura common stock under the Kura 2014 Equity Incentive Plan.

Immediately following the Effective Time, pursuant to the terms of a Redemption Agreement dated March 6, 2015, or the Redemption Agreement, by and among the Company and its pre-Merger stockholders, we completed the closing of a redemption of 5,000,000 shares of our common stock, or the Redemption, from our pre-Merger stockholders for consideration of $70,000, plus professional costs related to the transaction, not to exceed $30,000. The 5,000,000 shares constituted all of the issued and outstanding shares of our capital stock, on a fully-diluted basis, immediately prior to the Merger. A copy of the Redemption Agreement is filed herewith as Exhibit 10.10, and is incorporated herein by reference.

Upon completion of the Merger and the Redemption, the former stockholders of Kura held 100% of the outstanding shares of our capital stock. Unless otherwise indicated in this Current Report on Form 8-K, or this report, all share and per share figures reflect the exchange of each share of Kura common stock then outstanding for 0.5 shares of our common stock at the Effective Time of the Merger; however, the share and per share numbers in the financial statements of Kura filed herewith as Exhibit 99.1 are not adjusted to give effect to the Merger.

As a condition to the Merger, we entered into an Indemnity Agreement with our former officers and directors, or the Indemnity Agreement, pursuant to which we agreed to indemnify such former officers and directors for actions taken by them in their official capacities relating to the consideration, approval and consummation of the Merger and certain related transactions. A copy of the Indemnity Agreement is filed herewith as Exhibit 10.11, and is incorporated herein by reference.

The Merger is being accounted for as a capital transaction. Upon the effectiveness of the Merger, the Company's business became the operation of Kura and its business. Immediately following the Effective Time, our board of directors, which immediately prior to the Effective Time consisted of John Pappajohn and Matthew P. Kinley, appointed Troy E. Wilson, Ph.D., J.D., who was President and Chief Executive Officer of Kura, as our Chairman, President and Chief Executive Officer and as a director to serve on our board of directors. At the Effective Time, Mr. Pappajohn and Mr. Kinley resigned from all of their positions as officers of the Company and Mr. Pappajohn resigned from his position as a director of the Company. In addition, immediately following the Effective Time, our board of directors appointed Heidi Henson, who was the Chief Financial Officer and Secretary of Kura, as our Chief Financial Officer and Secretary; Yi Liu, Ph.D., who was the Chief Scientific Officer of Kura, as our Chief Scientific Officer; Antonio Gualberto, M.D., Ph.D., who was the Chief Medical Officer of Kura, as our Chief Medical Officer; Annette North, who was the Senior Vice President, General Counsel of Kura, as our

Senior Vice President, General Counsel; and Pingda Ren, Ph.D., who was the Senior Vice President, Chemistry and Pharmaceutical Sciences of Kura, as our Senior Vice President, Chemistry and Pharmaceutical Sciences. On March 17, 2015, which is the eleventh day following the date that we filed with the Securities and Exchange Commission, or SEC, and transmitted to our stockholders prior to the Merger, a Schedule 14f-1 reporting a change in the majority of our directors, or the New Board Effective Date, Robert E. Hoffman will be appointed to our board of directors to serve on our board of directors with Dr. Wilson, and Mr. Kinley will resign from our board of directors as of such date.

Prior to the Merger, Kura sold to accredited investors approximately $60.0 million of its shares of common stock, or 18,971,136 shares at a price of $3.16 per share, which included $7.5 million in principal and $0.1 million in accrued interest from the conversion of Kura's then outstanding convertible promissory notes. We refer to this transaction as the Private Placement and the number of shares stated in the preceding sentence does not reflect the Exchange in the Merger. The price per share in the Private Placement, as adjusted for the Exchange in the Merger, would be $6.32 per share of our post-Merger common stock. Also, Kura granted the investors in the Private Placement registration rights requiring Kura or any successor to register those shares of Kura common stock (which were exchanged for shares of our common stock, along with the rest of the outstanding shares of Kura capital stock, except for dissenting shares, at the Effective Time) for public resale, as described in more detail below. The then existing stockholders of Kura who agreed to become parties to the registration rights agreement also became entitled to such registration rights, subject to specified differences in the agreement between the rights of new investors and existing stockholders. The Private Placement closed immediately prior to the filing of a Certificate of Merger with the Secretary of State of the State of Delaware, on March 6, 2015.

The Merger Agreement has been filed as Exhibit 2.1 to this Current Report on Form 8-K to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about the Company or Kura. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement and as of specified dates, were solely for the benefit of the parties to the Merger Agreement, and may be subject to limitations agreed upon by the contracting parties. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, Kura or any of their respective subsidiaries or affiliates. In addition, the assertions embodied in the representations and warranties contained in the Merger Agreement are qualified by information in confidential disclosure schedules provided by the Company and Merger Sub and Kura, which are not being filed with this Current Report on Form 8-K as permitted by the SEC's rules and regulations. Accordingly, investors should not rely on the representations and warranties as characterizations of the actual state of facts, since (i) they were made only as of the date of the Merger Agreement or a prior, specified date, (ii) in some cases they are subject to qualifications with respect to materiality, knowledge and/or other matters, and (iii) they may be modified in important part by the underlying disclosure schedule. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

Kura announced the Private Placement and the Merger in a press release dated March 12, 2015, which has been attached as Exhibit 99.3 to this Current Report on Form 8-K.

DESCRIPTION OF THE BUSINESS OF KURA ONCOLOGY, INC.

Overview

We were originally incorporated in the State of Delaware in November 2007 under the name "Zeta Acquisition Corp. III." Prior to the Merger, Zeta Acquisition Corp. III was a "shell" company registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, with no specific business plan or purpose until it began operating the business of Kura through the Merger transaction on March 6, 2015. Kura was incorporated in the State of Delaware in August 2014 to focus primarily on discovering and developing personalized therapeutics for the treatment of solid tumors and blood cancers. Effective upon the Merger, a wholly-owned subsidiary of Zeta Acquisition Corp. III merged with and into Kura, and Kura continues as the operating subsidiary of Zeta Acquisition Corp. III. As used herein, unless otherwise indicated, the words the "Company," "we," "us," and "our" refer to the current Delaware corporation operating the business of Kura as a wholly-owned subsidiary, which business will continue as the business of Zeta Acquisition Corp. III.

We are a clinical stage biopharmaceutical company discovering and developing personalized therapeutics for the treatment of solid tumors and blood cancers. We focus on the development of small molecule drug candidates that target cell signaling pathways that are important to driving the progression of certain cancers. We aim to employ molecular diagnostics to identify patients with cancers who are likely to benefit from our targeted drug candidates.

Advancements in cancer genetics and new molecular diagnostic tools are helping define why some patients respond to a particular therapy while other patients receive little to no clinical benefit. This new era in cancer drug discovery and development offers the potential for innovative treatments that are safer and more effective for patients with particular cancers. We aim to improve patient outcomes and contribute to the reduction in healthcare cost by matching targeted therapeutics to the patients who will benefit the most. We are developing drugs designed to inhibit the mutated or abnormally functioning cellular pathways that drive cancer growth and intend to pair them with molecular diagnostics to identify those patients with tumors most likely to respond to treatment.

Our lead drug candidate, tipifarnib, is an inhibitor of protein farnesylation that we intend to evaluate in Phase 2 clinical studies as a treatment for patients with solid tumors with HRAS mutations as well as patients with peripheral T-cell lymphoma. Our pipeline includes two preclinical programs (1) orally-available small molecule inhibitors of extracellular-signal-regulated kinases 1 and 2 (ERK1/2), including KO-947 and other backup compounds in development for the treatment of patients with activating mutations in or other dysregulation of the mitogen-activated protein kinase (MAPK) signaling pathway, including mutations in KRAS, BRAF and NRAS and (2) orally available, small molecule inhibitors of the menin-MLL interaction, which are currently in lead optimization as a treatment for patients with acute leukemias involving translocations or partial tandem duplications of the mixed lineage leukemia (MLL) gene.

Strategy

Our strategy is to acquire, develop, and commercialize innovative anti-cancer agents in oncology indications with significant unmet medical need. The critical components of our strategy include the following:

Focus on Oncology.

The oncology market is characterized by a number of disorders with high rates of disease recurrence and a limited response from current therapies or treatments. New oncology product candidates that address unmet medical needs or provide efficacy and safety profiles superior to those of standard of care have the potential for expedited regulatory review and, if approved, could be positioned to experience rapid adoption rates. We believe that the combination of molecularly-targeted cancer therapies and companion diagnostics to identify patients whose cancers are dependent on these targeted cell signaling pathways presents the potential for improved patient outcomes.

Focus on Compounds Where Improved Outcomes are Associated with Specific Biomarkers.

Our strategy is to prioritize those programs for which strong scientific and clinical hypotheses exist to link improved patient outcomes with specific biomarkers. Significant progress has been made in the identification of molecular targets and pathways that more narrowly specify the causes of cancer and explain the variability in responses to different therapies by subsets of patients with a particular cancer or tumor type. We believe that the identification of such patient subsets and the correlation of their specific characteristics to the drug candidate under development should increase the clinical benefit and the probability of success in our clinical trials. We believe such patient identification should also enable us to design clinical trials that may be completed more rapidly and, if successful, to achieve clinical outcomes for the targeted group that are more beneficial to the patients as well as more attractive to physicians and healthcare payors.

Leverage Companion Diagnostics to Realize Positive Clinical Outcomes.

Our development strategy is based on our belief that we can utilize effective companion diagnostics to identify patient subsets that will derive greater benefit from our product candidates. We intend to partner development of these companion diagnostics for use in clinical trials and, if successful, for commercialization of our product candidates. We have the ability to select from a number of diagnostic technology platforms and providers when choosing a partner for our programs under development.

Advance our Product Candidates in Clinical Proof-of-Concept Studies.

We plan to initiate two Phase 2 clinical trials of our lead product candidate, tipifarnib in 2015. The first trial, which we plan to initiate in the second quarter of 2015, will be in patients with solid tumors characterized by HRAS mutations and the second trial, which we plan to initiate in the third quarter of 2015, will be in patients with peripheral T-cell lymphoma. We intend to maximize the likelihood of success in those trials by: (1) using genetic analysis to identify one or more target patient populations that are more likely to respond to and benefit from tipifarnib and (2) evaluating biomarkers as indications of efficacy. We intend to advance our ERK1/2 program and our menin-MLL program through to clinical development pending successful completion of research activities and preclinical studies.

Seek and Maintain Significant Development and Commercial Rights.

We believe it is important to maintain significant development and commercial rights to our product candidates. For many cancer indications, there are a relatively small number of oncologists practicing in each of the major pharmaceutical markets and an even smaller number of oncology key opinion leaders who significantly influence the types of drugs prescribed in cancer therapy. We believe that we can reach these oncology markets effectively with a relatively small sales and marketing organization focused on these physicians and oncology key opinion leaders. As a result, we plan to seek to retain significant development and commercial rights to our products, which will enable us to retain the vast majority of the revenues from and commercial and economic value of our product candidates.

Cancer Background

Cancer is the second leading cause of death in the United States. The American Cancer Society (ACS) estimated that, in 2014, there would be approximately 1.7 million new cases of cancer and approximately 585,000 deaths from cancer in the U.S. The World Health Organization estimated that 8.2 million people worldwide died of cancer in 2012. Despite advances in cancer diagnostics and treatment the unmet medical need remains high. According to ACS, cancer is a general name for a group of over 100 diseases.

Despite significant disease variability, cancer in general originates from defects in the cell's genetic code, or DNA, which disrupt the mechanisms that normally prevent uncontrolled cell growth, proliferation, invasion and programmed cell death. Cancer cells that arise in other tissues or organs are referred to as solid tumors. Cancerous cells that arise in the lymphatic system and bone marrow are referred to as hematological tumors. Increasingly, doctors are using diagnostic tests that identify genetic defects that may make a tumor more or less sensitive to a particular therapy in order to select better treatment options for patients with that disease. As genetic testing in cancer becomes a more routine practice, we are learning that many cancers arising in diverse sites in the body may share the same type of genetic alterations. For example, a mutation in a gene called BRAF is found in the majority of patients with metastatic melanoma, but it is also found in subsets of patients with colorectal cancer, lung cancer and other malignancies.

The most common methods of treating patients with cancer are surgery, radiation and drug therapy. A cancer patient often receives treatment with a combination of these methods. Surgery and radiation therapy are particularly effective when the disease is localized. Physicians generally use systemic drug therapies when the cancer has spread beyond the primary site or cannot otherwise be treated through surgery. The goal of drug therapy is to damage and kill cancer cells or to interfere with the molecular and cellular processes that control the development, growth and survival of cancer cells. In many cases, drug therapy entails the administration of several different drugs in combination. Over the past several decades, drug therapy has been evolving from non-specific drugs that kill both healthy and cancerous cells, such as cytotoxic therapies, to drugs that target specific molecular pathways or cellular processes involved in cancer and, more recently, to therapeutics that target specific activating alterations that are the "drivers" of cancer.

Cytotoxic Therapies. The earliest approach to pharmacological cancer treatment was to develop drugs referred to as cytotoxic drugs that kill rapidly proliferating cancer cells through non-specific mechanisms, such as deterring cellular metabolism or causing damage to cellular components required for survival and rapid growth. While these drugs have been effective in the treatment of some cancers, many unmet medical needs for the treatment of cancer remain. Also, cytotoxic drug therapies act in an indiscriminate manner, killing healthy cells as well as those that are cancerous, thereby causing significant side effects and tolerability issues for patients. Due to their mechanism of action, many cytotoxic drugs have a narrow dose range above which the toxicity causes unacceptable or even fatal levels of damage to healthy cells and below which the drugs are not effective in eradicating cancer cells.

Targeted Therapies. Advances in biology and understanding of cancer have led to the development of drugs, referred to as targeted therapeutics, which are designed to attack either a target that causes uncontrolled growth of cancer cells due to a specific genetic alteration primarily found in tumors but not in normal cells, or a target that cancer cells are more dependent on for their growth than normal cells. Targeted therapeutics are designed to preferentially kill cancer cells and spare normal cells and thus, in principle, they should exhibit enhanced efficacy and patients should experience fewer treatment-related side effects. Researchers and clinical oncologists now often incorporate genetic assessments into clinical trials and routine care with the hope of directing patients to medicines, which may have a greater chance of treating their cancers effectively. Furthermore, through the use of genetic testing, it is possible to develop drugs for defined subsets of patients, and to look for patients whose tumor types harbor genetically similar alterations. As such, doctors may begin to identify tumors and select therapies based on the type of mutations they share, rather than the part of the body from which they arise. Such a system should afford more efficient drug development, the opportunity for robust clinical responses and a better understanding of the underlying mechanisms of cancer.

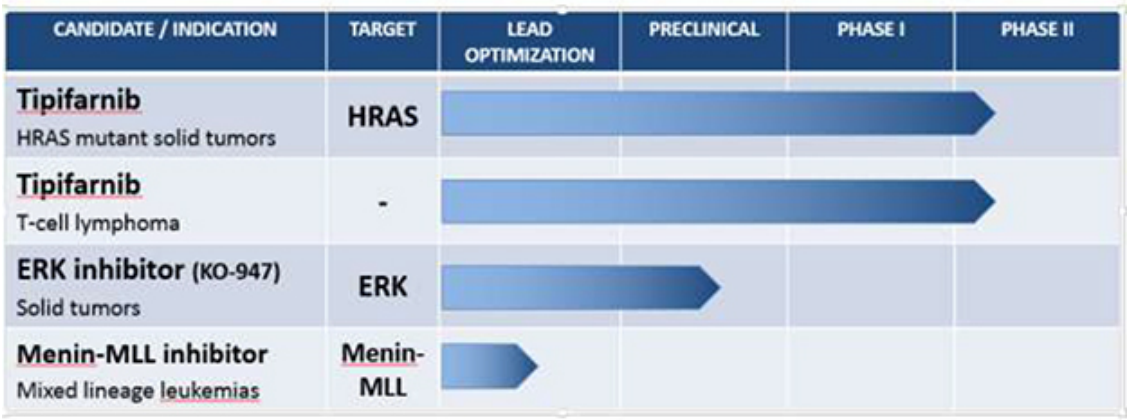
Disease and Market Overview

We are focused on developing targeted therapeutics for the treatment of solid tumors and blood cancers. We are evaluating our lead product candidate, tipifarnib, a farnesyl transferase inhibitor, as a potential treatment for certain solid tumors, including thyroid cancer, head and neck cancers, urothelial carcinomas and salivary cancers, with HRAS mutations. Collectively, cancers that have an HRAS mutation are estimated to have an annual incidence of approximately 8,000 patients in the U.S. and, in general, patients with these cancers have poor prognosis and limited options for treatment. We are also evaluating tipifarnib as a potential treatment for patients with peripheral T-cell lymphoma, which has an annual incidence of approximately 7,000-10,000 patients in the U.S. Although several drugs have been approved by the U.S. Food and Drug Administration, or FDA, for treatment of relapsed or refractory PCTL, these drugs are associated with relatively low objective response rates and relatively short durations of response. Accordingly, we believe the treatment of relapsed/refractory PTCL remains a significant unmet medical need.

We are advancing a set of compounds that inhibit the activity of extracellular-signal-regulated kinases 1 and 2 (ERK1/2), including our lead candidate KO-947 as well as backup compounds, as a potential treatment for patients with tumors that have mutations in the Ras-MAP kinase pathway, including lung cancers, colorectal cancers, pancreatic cancers and melanoma. According to the National Cancer Institute, there are estimated to be over 43,000 cases of pancreatic cancer, 125,000 cases of colorectal cancer and over 188,000 cases of NSCLC diagnosed each year in the United States. We believe this corresponds to approximately 42,000 cases of KRAS mutant pancreatic cancer, 55,000 cases of KRAS mutant CRC, and 58,000 cases of KRAS mutant NSCLC each year in the United States. According to the American Cancer Society, the annual incidence of melanoma patients is estimated at 75,000 patients in the United States, with approximately 40%-60% of those patients having BRAF mutations and an additional 15-20% of those patients having NRAS mutations. As ERK inhibitors target the RAS/RAF/MEK/ERK pathway, which is activated with a BRAF mutation, they may also have the potential for activity not only in patients with BRAF-mutant melanoma but also in patients with tumors that harbor mutations in the NRAS gene, who currently have no adequate treatment option and poor prognosis.

We are also advancing a set of compounds that inhibit the interaction between the proteins menin and MLL for the treatment of mixed lineage leukemias-rearranged (MLL-r) and mixed lineage leukemias-partial tandem duplications (MLL-PTD), two genetically-defined subsets of acute leukemias that affect both adults and children. The annual incidence of MLL-r and MLL-PTD patients is estimated to be 3,200 patients in the United States, and those patients currently have limited options other than chemotherapy.

Clinical Programs and Pipeline



Tipifarnib – An Oral Farnesyl Transferase Inhibitor

Overview

Tipifarnib is a new chemical entity we in-licensed in December 2014 from Janssen Pharmaceutica NV, an affiliate of Johnson and Johnson. Tipifarnib is a novel, patented small molecule inhibitor of protein farnesylation, a key cell signaling process implicated in cancer initiation and development. Tipifarnib has been studied in more than 5,000 patients, including more than 600 patients at the dose and schedule we intend to use in our Phase 2 trials. At that dose and schedule, tipifarnib exhibited a manageable side effect profile and was generally well tolerated.

Although tipifarnib has demonstrated compelling and durable anti-cancer activity in certain patients and a well-established safety profile, its activity has not been sufficient in any patient subset to support marketing approval by the FDA. However, clinical and preclinical data suggest that, in the right context, tipifarnib has the potential to provide significant benefit to cancer patients with limited treatment options. Leveraging advances in next-generation sequencing as well as emerging information about cancer genetics, we will seek to identify patients most likely to benefit from tipifarnib. We plan to initiate a Phase 2 trial in patients who have tumors characterized by HRAS mutations in the second quarter of 2015 and a second Phase 2 trial in patients with peripheral T-cell lymphomas in the third quarter of 2015.

HRAS Mutant Tumors – Market Opportunity

RAS proteins are GTPase enzymes that are involved in regulating cell division in response to growth factor stimulation. HRAS is a member of the RAS family, which includes two other proto-oncogenes: KRAS and NRAS. Collectively, the three RAS genes constitute one of the most frequently mutated families of oncogenes in human cancers. Although HRAS mutations are less common overall relative to KRAS and NRAS mutations, they have a relatively high prevalence in cancers of the upper aerodigestive tract, skin, thyroid and urinary bladder.

We believe the sum of these patient subsets, defined by the presence of an HRAS mutation, represents a significant potential patient population.

Farnesyl transferase inhibitors (FTIs) such as tipifarnib prevent protein farnesylation, a key cell signaling process implicated in cancer initiation and development. Tipifarnib has been shown to inhibit HRAS function. Specifically, by blocking HRAS farnesylation and subsequent membrane localization, tipifarnib inhibits oncogenic, HRAS-driven cellular transformation *in vitro* and *in vivo*. Earlier studies of FTIs were based on the hypothesis that FTIs would be generally active in RAS driven tumors. However, FTIs showed no significant antitumor activity in patients with advanced solid tumors such as lung, pancreatic and colon cancers, which mainly harbor KRAS mutations, and although the FTIs have demonstrated responses in certain patients with acute myeloid leukemia, the activity of the compound has not been shown to correlate with NRAS mutations. We believe the refractory nature of RAS-driven tumors to treatment with FTIs has been attributed to mechanisms of resistance that are available to tumors with KRAS and NRAS mutations but not to those tumors with HRAS mutations.

HRAS as a Human Oncogene

The HRAS protein is a GTPase that is involved in regulating cell division in response to growth factor stimulation. Growth factors act by binding cell surface receptors that span the cell's plasma membrane. Once activated, receptors stimulate signal transduction events in the cytoplasm, a process by which proteins and second messengers relay signals from outside the cell to the cell nucleus and instruct the cell to grow or divide. HRAS is an early player in many signal transduction pathways. HRAS acts as a molecular on/off switch – once it is turned on it recruits and activates proteins necessary for the propagation of the receptor's signal. In certain tumors, mutations in HRAS or its upstream effectors cause it to be permanently on, resulting in persistent activation of downstream growth and proliferation signals that drive tumor cell growth. FTIs work to prevent the aberrant growth and proliferation of cells that are dependent on these signaling pathways by switching HRAS off.

Clinical Significance of HRAS

The role of HRAS in patients with Costello syndrome illustrates its potential as a human oncogene. At least five inherited mutations in the HRAS gene have been identified in people with Costello syndrome. Each of these mutations changes an amino acid in a critical region of the HRAS protein. The mutations associated with Costello syndrome lead to the production of an HRAS protein that is permanently active. Instead of triggering cell growth in response to particular signals from outside the cell, the overactive protein directs cells to grow and divide constantly. This uncontrolled cell division can result in the formation of noncancerous and cancerous tumors beginning in early childhood.

Transitional cell carcinoma of the bladder frequently occurs in adolescents with Costello syndrome, a presentation that is rare in the general population. Sporadic bladder tumors occurring in young patients without Costello syndrome also have a high frequency of HRAS mutation, but otherwise, lack extensive genetic alterations. Furthermore, HRAS mutations are present at all disease stages of bladder cancer and are detected in low-grade non-muscle invasive transitional tumors. These pieces of clinical evidence point to HRAS as a key protein involved in tumorigenesis in both Costello syndrome and, by extension, in the broader population.

Preclinical Data Supporting Tipifarnib as an Inhibitor of HRAS Function

Tipifarnib inhibits cell proliferation of mutant HRAS transformed NIH3T3 cells with an IC_{50} value of 1.7 nM, but it does not inhibit parental NIH3T3 cells that have normal HRAS up to a concentration of 500 nM. In a panel of human tumor cell lines, tipifarnib inhibited two HRAS mutant cell lines with IC_{50} values of 1.7 and 5.2 nM, respectively. Tumor cell lines with KRAS or NRAS mutations displayed a range of sensitivities, ranging from ~ 10 nM to > 500 nM. In murine xenograft models, tipifarnib inhibited HRAS mutated model much more potently (86% tumor growth inhibition at 25 mg/kg bid) than KRAS mutated tumor models (10% tumor growth inhibition at 25 mg/kg bid).

Further support for using a farnesyl transferase inhibitor to treat tumors driven by mutant HRAS is provided by studies evaluating the two-stage DMBA/TPA model of mouse skin carcinogenesis. This model of mouse skin carcinogenesis has been used to study mechanisms of epithelial tumor development by oncogenic HRAS. Treatment of the model with the farnesyl transferase inhibitor, SCH66336, induced near-complete regression of papillomas of TPA-treated HRASG12V knock-in mice. Such data support the notion that farnesyl transferase inhibitors such as tipifarnib should be re-evaluated as targeted agents for HRAS-driven cancers.

Clinical Development in HRAS Mutant Tumors

We have designed a clinical trial to test the hypothesis that tipifarnib can be used as a treatment for advanced tumors with a known HRAS mutation. We expect to initiate this Phase 2 trial in the second quarter of 2015. The trial will enroll 2 cohorts of 18 patients each. Cohort 1 will enroll subjects with malignant thyroid tumors with HRAS mutations, independently of thyroid histology. Any subject with a non-hematological HRAS mutant tumor who meets eligibility criteria may be enrolled in Cohort 2. The study has null (H0) and of-interest (H1) hypotheses of 10% and 30% response rate. This trial has a two-stage study design to minimize the number of study subjects treated if tipifarnib were not sufficiently efficacious. If one or no objective response is observed in a cohort after the first 11 evaluable patients, the cohort will be closed to further enrollment. If more than one response is observed in the cohort, 7 additional subjects will be enrolled (stage 2). Treatment will be considered of further interest if at least 4 responses are observed in a cohort (out of 18 subjects). Tumor response assessments will be conducted according to RECIST v1.1 criteria (confirmation of response is required), but in order to expedite the response assessment of the initial 11 evaluable patients, tipifarnib will be considered not sufficiently efficacious if no confirmed objective tumor responses are observed in the study cohort prior to 6 months from the time of enrollment of the last of the 11 evaluable subjects.

Peripheral T-cell Lymphoma Opportunity

We intend to initiate a Phase 2 human clinical trial to evaluate tipifarnib as a treatment for patients with peripheral T-cell lymphoma (PTCL) in the third quarter of 2015.

Lymphoma is the most common blood cancer. The two main forms of lymphoma are Hodgkin lymphoma and non-Hodgkin lymphoma (NHL). Lymphoma occurs when cells of the immune system called lymphocytes grow and multiply uncontrollably. Cancerous lymphocytes can travel to many parts of the body, including the lymph nodes, spleen, bone marrow, blood, or other organs, and form tumors. The body has two main types of lymphocytes that can develop into lymphomas: B-lymphocytes (B-cells) and T-lymphocytes (T-cells).

Peripheral T-cell lymphoma (PTCL) consists of a group of rare and usually aggressive (fast-growing) NHLs that develop from mature T-cells. Most T-cell lymphomas are PTCLs, which collectively account for about 10 percent to 15 percent of all NHL cases, corresponding to an annual incidence of 7,000-10,000 patients per year in the United States. By some estimates, the incidence of PTCL is growing significantly, and the increasing incidence may be driven by an aging population.

PTCLs are sub-classified into various subtypes, each of which are typically considered to be separate diseases based on their distinct clinical differences. Most of these subtypes are rare; the three most common subtypes of PTCL, peripheral T-cell lymphoma not otherwise specified (PTCL-NOS), anaplastic large-cell lymphoma (ALCL), and angioimmunoblastic T-cell lymphoma (AITL), that collectively account for approximately 70 percent of all PTCLs in the United States.

Treatment Options for PTCL

For most PTCL subtypes, the frontline treatment regimen is typically combination chemotherapy, such as CHOP (cyclophosphamide, doxorubicin, vincristine, prednisone), EPOCH (etoposide, vincristine, doxorubicin, cyclophosphamide, prednisone), or other multi-drug regimens.

Patients who relapse or are refractory to frontline treatments are typically treated with gemcitabine in combination with other chemotherapies, including vinorelbine (Navelbine®) and doxorubicin (Doxil®) in a regimen called GND, or other chemotherapy regimens such as DHAP (dexamethasone, cytarabine, cisplatin) or ESHAP (etoposide, methylprednisolone, cytarabine, and cisplatin).

Because most patients with PTCL will relapse, some oncologists recommend giving high-dose chemotherapy followed by an autologous stem cell transplant to some patients who had a good response to their initial chemotherapy. Recent, non-cytotoxic therapies that have been approved for relapsed or refractory PCTL, such as pralatrexate, romidepsin and belinostat, are associated with relatively low objective response rates (25-27% ORR) and relatively short durations of response (8.2-9.4 months). Accordingly, we believe the treatment of relapsed/refractory PTCL remains a significant unmet medical need.

Previous Phase II Experience with Tipifarnib in the Treatment of PTCL

A prior Phase 2 trial of tipifarnib was conducted at the Mayo Clinic in adult patients with relapsed or refractory lymphoma. Ninety-three patients (42 aggressive, 15 indolent, and 36 HL/T) were enrolled in the study, and patients received tipifarnib 300 mg twice daily on days 1-21 of each 28-day cycle. The median age of patients was 62 years (range, 18-91 years). A total of 71% of patients had stage IV disease. The median number of prior regimens was five (range, 1-17). The majority of patients were diagnosed with diffuse large B-cell lymphoma (DLBCL) (40%; 37 of 93) or Hodgkin lymphoma (HL) (20%; 19 of 93). See Table A below.

The overall response rate (ORR) for all patients was 20.4% (19 of 93), with 7% (6 of 93) complete responses (CR) and 14% (13 of 93) partial responses (PR). In the groups of aggressive, indolent, and HL/T-cell types of lymphoma, the ORRs were 17%, 7%, and 31%, respectively.

In the 19 responders, the median response duration was 7.5 months with a mean of 15.8 months. The median response duration was 11.3 months, 2 months, and 7.5 months for the groups of aggressive, indolent, and HL/T-cell lymphomas, respectively.

The highest ORR (31%) was demonstrated in the HL/T cell lymphoma group. Within that group, the ORR was 21% (4 of 19) in patients with HL and 50% (6 of 12) in T-cell Non Hodgkin Lymphoma (NHL).

The median time to progression (TTP) was 3.6 months for all patients and 3.2 months for the HL/T-cell lymphoma groups, respectively. Five patients in the HL/T-cell lymphoma group received treatment for more than 30 months with several patients receiving treatment for 60+ months.

The median overall survival (OS) was 14.8 months for all patients and 6.4 months, 20.6 months, and 19.7 months for the aggressive, indolent, and HL/T-cell lymphoma groups, respectively.

Table A: Phase 2 Clinical Trial of tipifarnib in Adult Patients with Relapsed or Refractory Lymphoma.

Disease Type	n(%)	CR, n (%)	PR, n (%)	ORR, (%) (95% CI)	Median DR (95% CI)	Median TTP (95% CI)	Median OS (95% CI)
All patients	93	6 (7)	13 (14)	20 (13-30)	7.5 (4.9-18.5)	3.6 (2.1-4.5)	14.8 (7.6-17.8)
Aggressive B-cell lymphoma group	42	0	7(17)	17 (7-31)	11.3 (4.9-17.1)	2.8 (1.7-4.2)	6.4 (4.1-10.7)
DLBCL	37 (88)	0	7(19)	19	—	—	—
MCL	4 (10)	0	0	0	—	—	—
FL III	1 (2)	0	0	0	—	—	—

Indolent B-cell lymphoma group	15	0	1 (7)	7 (0.2-32)	2 (NR)	5.2 (4-9.2)	20.6 (NR)
Chronic lymphocytic Leukemia/small lymphocytic lymphoma	5 (33)	0	0	0	—	—	—
Extranodal marginal zone	1 (7)	0	0	0	—	—	—
FL grade I	3 (20)	0	0	0	—	—	—
FL grade II	6 (40)	0	1	17	—	—	—
HL/T group	36	6 (17)	5 (14)	31 (16-48)	7.5 (3.2-29.8)	3.2 (1.9-5.8)	19.7 (9-60)
HL	19 (53)	2 (11)	2 (11)	21	—	—	—
Mycosis fungoides	4 (11)	0	2 (50)	50	—	—	—
Peripheral T-cell, unspecified	8 (22)	3 (38)	1 (13)	50	—	—	—
Anaplastic large cell, cutaneous	3 (8)	1 (33)	0	33	—	—	—
Anaplastic large cell, systemic	2 (6)	0	0	0	—	—	—

— indicates not applicable ; and NR, not reported

Tipifarnib was generally well tolerated on this dose and schedule. Three patients with aggressive lymphoma died on study of progressive disease, but there were no deaths related to tipifarnib treatment. The grade 3 or 4 toxicities were primarily reversible myelosuppression, with 11% anemia, 37% neutropenia, and 32% thrombocytopenia.

Of particular relevance to our planned Phase 2 clinical trial in PTCL are the results observed in the patients with T-cell non-Hodgkin lymphoma. Although the trial enrolled only small numbers of patients, a 41% response rate (7 responses out of 17 patients) was observed in patients with T-cell non-Hodgkin lymphoma, including 4 objective responses out of 8 patients with PTCL (3 CR and 1 PR). We believe the results observed from this Phase 2 trial suggests that tipifarnib can be administered for prolonged periods and may produce durable responses as a single agent in relapsed lymphoma in a group of patients who were heavily pretreated with a median of 5 prior therapies.

The five year survival for patients with PTCL is low – roughly 35% by most published records – and few treatment options are able to provide a durable treatment effect. Treatments in the relapsed or refractory setting are not very effective. Therefore, National Comprehensive Cancer Network guidelines currently recommend that patients seek participation in a clinical trial for the initial treatment.

Clinical Development in Peripheral T-cell Lymphoma

Based on the promising results observed in the Phase 2 lymphoma study, we have designed a clinical trial to test the hypothesis that tipifarnib can be used as a treatment for patients with relapsed or refractory PTCL. We expect to initiate this Phase 2 trial in the third quarter of 2015. The trial is a two-stage design for a total number of 18 patients. If one or no objective response is observed after the first 11 evaluable patients (stage 1), the study will be closed to further enrollment. If more than one response is observed, 7 additional patients will be enrolled (stage 2). Treatment will be considered of further interest if at least 4 responses are observed (out of 18 patients). Tumor response assessments will be conducted according to the International Workshop Criteria for the assessment of responses in lymphoma.

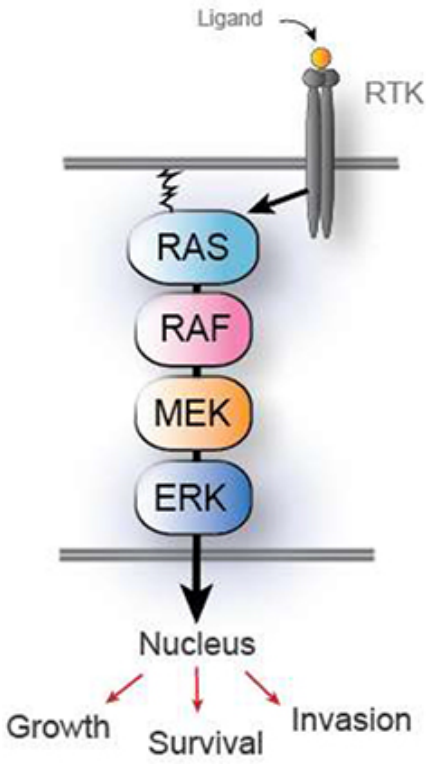
ERK Inhibitor Program

Overview

We are advancing a set of novel, orally bioavailable small molecule inhibitors of extracellular-signal-regulated kinases 1 and 2 (ERK1/2), including our lead candidate KO-947 as well as backup compounds, as a potential treatment for patients with tumors that have mutations in the RAS-MAP kinase pathway, including lung cancers, colorectal cancers, pancreatic cancers and melanoma. The compounds, including KO-947 and backup compounds, represent new chemical entities we acquired pursuant to an agreement effective December 23, 2014 from Araxes Pharma LLC.

The high frequency of activating mutations in components of the mitogen-activated protein kinase (MAPK) pathway found in cancer provides strong rationale for targeting the MAPK pathway and, specifically, ERK. The MAPK pathway is responsible for receiving growth-promoting signals from outside the cell and translating these signals within the cell into programs that affect cell growth and proliferation. When external growth factors activate cell surface receptor tyrosine kinases (RTKs), the MAPK pathway acts inside the cell to relay these growth signals through a series of signaling molecules, including the RAS, RAF, MEK, and ERK family of kinases. ERK kinase is the final signaling kinase of the MAPK pathway. See Figure 1.

Figure 1: MAPK pathway



Many cancers harbor genetic mutations in components of the MAPK pathway, especially in protein kinases, that lock transformed cells in a pro-growth state, even in the absence of external growth signals. Studies have shown that such aberrations in the MAPK pathway, including mutations in KRAS, BRAF, and other components of the pathway, are frequent contributors to the development of cancer in humans. Targeted cancer drugs, such as inhibitors of the proteins BRAF and MEK, that have been designed to turn off MAPK signaling by inhibiting specific protein kinases are effective, particularly in melanomas where the MAPK circuit is aberrantly active. We believe that a therapeutic drug candidate that can block signaling of the MAPK pathway through inhibition of ERK should reduce or prevent cancer growth and may have a beneficial effect for patients.

As part of our ERK inhibitor program, we are advancing KO-947, which is an orally-available inhibitor of ERK that has nanomolar cellular potency in tumor cells with mutations in BRAF, NRAS or KRAS and induces tumor regressions in xenograft models at doses that are well tolerated. Because KO-947 targets ERK, a protein kinase essential to signaling through the MAPK pathway, it has the potential to selectively kill tumor cells bearing activating mutations in this critical pathway. KO-947 is currently in IND enabling studies, and we anticipate filing an IND in the first quarter of 2016. In addition, we are also advancing other ERK inhibitors as backup compounds to KO-947 and, if we elect to advance one of those compounds to IND-enabling studies, we would anticipate filing an IND on such compound in the first half of 2016.

Opportunity for Kura Oncology

We have focused on the discovery and development of ERK inhibitors and selected KO-947 as a potential product candidate because we believe that ERK inhibitors have two important potential advantages as therapeutics:

- Potential to effectively treat patients with mutations in the KRAS gene — a large and growing group of patients with lung, colorectal, pancreatic and other cancers who today have no effective therapy, and who have been identified with greater frequency due to recently approved diagnostic guidelines, and
- Potential to effectively treat patients with metastatic melanoma who receive “first-generation” BRAF or MEK inhibitors, but who develop resistance due to reactivation of ERK pathway signaling. KO-947 could prevent resistance through this mechanism and may thus cause responses of greater duration than the ones seen with first generation inhibitors and extend progression-free survival.

We acquired our ERK inhibitor program from Araxes Pharma based in La Jolla, California. Scientists at Araxes Pharma designed our ERK inhibitors using structure-guided drug discovery approaches to model chemical structures that would inhibit the ERK protein kinase but spare inhibition of closely related kinases. These molecules were then synthesized and tested in assays to verify their ability to inhibit ERK as well as to inhibit MAPK pathway signaling.

Market Overview: Solid Tumors with KRAS Mutations Represent a Significant Unmet Medical Need

Activating mutations in the KRAS gene are commonly found in a wide variety of tumor types. Among cancer indications with large patient populations, KRAS mutations are found in approximately 90 percent of pancreatic cancers, approximately 40 percent of colorectal cancers and approximately 25 percent of non-small cell lung cancers (NSCLC). According to the American Cancer Society, there are estimated to be over 43,000 cases of pancreatic cancer, 125,000 cases of colorectal cancer and over 188,000 cases of NSCLC diagnosed each year in the United States. We believe this corresponds to approximately 42,000 cases of KRAS mutant pancreatic cancer, 55,000 cases of KRAS mutant CRC, and 58,000 cases of KRAS mutant NSCLC each year in the United States. These cancers typically present relatively late in their clinical course, when locally directed therapy (surgery and radiation) is not curative. The treatment of locally advanced and metastatic cancers represents a significant unmet medical need.

Therapeutic Rationale for KRAS Mutant Tumors

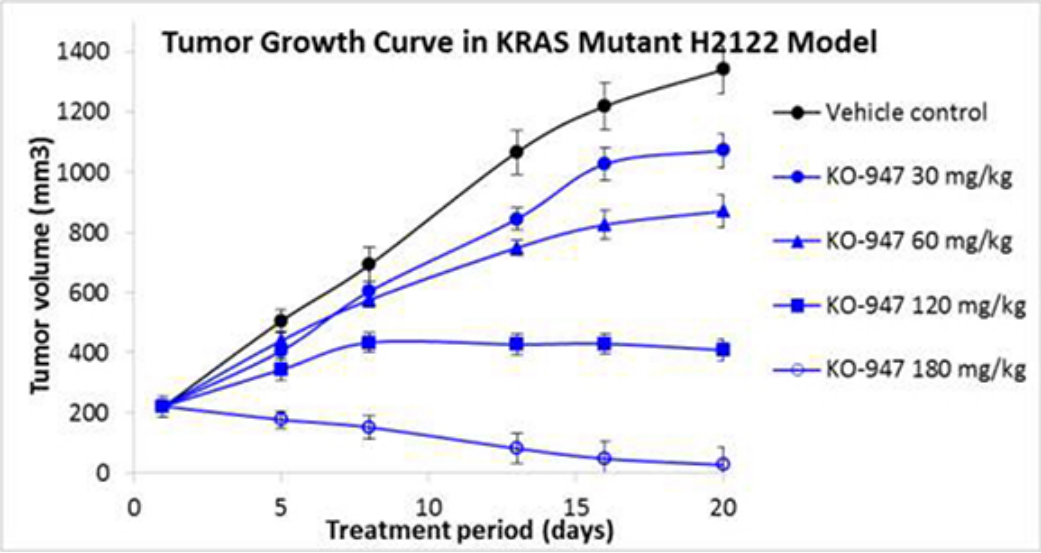
In its normal, non-mutant form, the KRAS protein plays a key role in the promotion and regulation of cell growth and division. The KRAS protein acts in a keystone position in the MAPK pathway. This pathway is responsible for receiving growth-promoting signals from outside the cell and communicating those signals within the cell so that the cell can respond appropriately to the cell growth signals.

Studies have shown that disruptions to the MAPK pathway, either by mutations in KRAS or other components of the pathway, are frequent contributors to the development of cancer in humans. Certain mutations in KRAS promote cancer by putting the KRAS protein into a constitutively active state, which promotes the uncontrolled cell growth and division that are the hallmarks of cancer. We believe that a therapeutic drug candidate that can inhibit signaling through the MAPK pathway should reduce or prevent cancer growth and may have a beneficial effect for patients.

Therapeutics have been successfully developed against other components of the MAPK pathway, including the BRAF inhibitors vemurafenib (ZELBORAF®) and dabrafenib (TAFINLAR®) and the MEK inhibitor trametinib (MEKINIST®), each of which has received approval from the FDA for treatment of BRAFV600E mutant melanoma. However, patients with melanoma frequently develop resistance to these drugs, and the drugs do not have potent activity in patients with KRAS mutations. Accordingly, oncologists and patients are still in need of a therapeutic agent that can inhibit signaling through the MAPK signaling pathway and provide benefit to patients.

Preclinical Data for KO-947 for KRAS Mutant Solid Tumors

Our lead candidate in our ERK inhibitor program, KO-947, demonstrates potent inhibition of the ERK kinase and high selectivity relative to a panel of approximately 400 kinases. KO-947 has also shown promising activity in both cell culture and xenograft animal models of KRAS mutant tumors.



Xenograft tumors were grown subcutaneously in mice, followed by oral treatment with the ERK inhibitor or control. Treated animals showed full tumor regression, while vehicle control treated animals showed rapid tumor growth. In addition, KO-947 was well tolerated at all dose levels with no apparent body weight loss in the mice, which is a surrogate measure for toxicity.

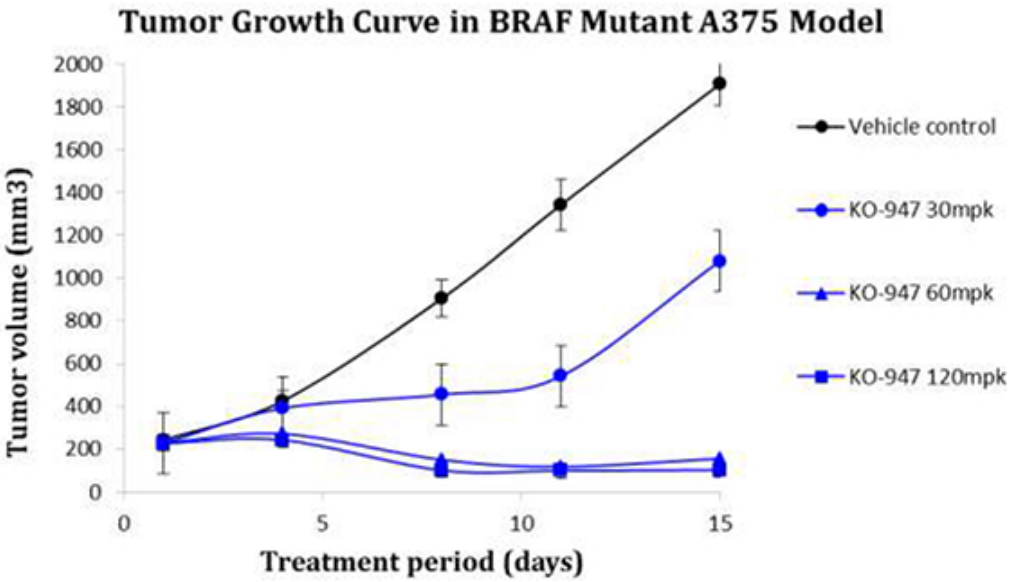
Market Overview: Melanoma Tumors with Acquired Resistance to BRAF and MEK Inhibitors Represent a Significant Unmet Medical Need

Specific inhibitors of RAF and MEK kinases have been developed to target BRAF- and RAS-mutant tumors. In particular, the FDA has approved the BRAF inhibitors vemurafenib (ZELBORAF®) and dabrafenib (TAFINLAR®) as well as the MEK inhibitor trametinib (MEKINIST®) for the treatment of BRAFV600E-mutant metastatic melanoma. Although these approvals are encouraging, durable responses in patients are limited, as median time to disease progression is approximately 6-7 months and resistance is often associated with pathway reactivation of the ERK signaling pathway.

According to the American Cancer Society in 2014, the annual incidence of diagnosed melanoma is 76,000 cases in the United States, and nearly 9,500 melanoma deaths occur in the each year in the United States. Mutations that activate the RAS/RAF/MEK/ERK pathway are common in melanoma, with BRAF mutations in 40% to 60%, and NRAS mutations in 15-20% of melanoma patients, suggesting the therapeutic potential for agents that target this pathway in melanoma. As ERK inhibitors target the RAS/RAF/MEK/ERK pathway, which is activated with BRAF mutation, they may also have the potential for activity not only in patients with BRAF-mutant melanoma, but also in patients with tumors that harbor mutations in the NRAS gene, who currently have no adequate treatment option and poor prognosis.

Preclinical Data for ERK Product Candidate for Melanoma with Acquired Resistance to BRAF and MEK Inhibitors

There is a strong rationale to develop ERK inhibitors for tumors that are resistant to other inhibitors of the MAPK pathway. Selective BRAF and MEK inhibitors have shown clinical efficacy in patients with melanoma. However, the majority of responses are transient, and resistance is often associated with pathway reactivation of the extracellular signal-regulated kinase (ERK) signaling pathway. In preclinical studies, ERK inhibitors have demonstrated promising activity in both cell culture and xenograft animal models of tumors resistant to BRAF and MEK inhibitors.



In particular, xenograft tumors were grown subcutaneously in mice, followed by oral treatment with ERK inhibitor or control. Treated animals showed full tumor regression at tolerated doses, while vehicle control treated animals showed rapid tumor growth. Based on these preclinical efficacy data in both KRAS and BRAF mutant tumor models, we have advanced KO-947 into IND-enabling studies, and we continue to evaluate additional ERK inhibitors as potential backup compounds to KO-947.

Menin-MLL Program

Overview

We are developing orally bioavailable small molecule inhibitors of the menin-MLL interaction for the treatment of MLL-rearranged (MLL-r) acute leukemias, a genetically defined subtype of the two most common forms of acute leukemia, acute myeloid leukemia, or AML, and acute lymphoblastic leukemia, or ALL.

Background on Mixed Lineage Leukemias

MLL-r leukemias are an aggressive subtype of two of the most common forms of acute leukemia, ALL and AML. The estimated five-year overall survival rate for adult patients with the MLL-r subtype of AML ranges from approximately 5% to 24%, and the total annual incidence of MLL-r leukemias in all patients in the U.S. and Europe has been estimated at approximately 5,000 patients. Patients with MLL-r leukemias are routinely diagnosed using existing technologies that are commonly used in clinical settings. As a result, there is high awareness of MLL-r leukemias among oncologists. The disease predominantly occurs in two different demographics – an adult population and an infant/pediatric population. While they share a common genetic alteration, the adult disease is frequently a secondary leukemia resulting from prior chemotherapy for a different, unrelated cancer, and the childhood disease arises de novo. MLL-r leukemias are caused by a chromosomal translocation involving the MLL gene.

Mixed lineage leukemia gene-partial tandem duplication (MLL-PTD) is a subset of acute myeloid leukemia (AML). MLL-PTD typically confers a worse prognosis with shortened overall and event free survival in childhood and adult AML.

The annual incidence of MLL-r and MLL-PTD patients is estimated to be 3,200 patients in the United States, and those patients currently have limited options other than chemotherapy. There are no approved therapies specifically indicated for either the MLL-r or MLL-PTD leukemias. Physicians treat these hematological cancers with therapies approved for other acute leukemias and malignancies. Patients with AML and ALL typically are treated with intensive multi-agent chemotherapy and high risk patients are treated with an allogeneic stem cell transplant. However, some patients, especially those who are older, are too fragile for any of these treatments and, as a result, have very few treatment options. Accordingly, we believe the treatment of MLL-r and MLL-PTD leukemias remains a significant unmet medical need.

Targeting the MLL-Menin Interaction

The mixed lineage leukemia (MLL) gene is a common target of chromosomal translocations found in patients with AML and ALL, which affects both children and adults. Fusion of MLL with one of over 50 different partner genes forms oncogenes encoding MLL fusion proteins, which play a causative role in the onset, development and progression of MLL.

The effect of MLL fusion proteins on the development and progression of leukemia is critically dependent on their direct interaction with menin, a protein encoded by the Multiple Endocrine Neoplasia 1 (MEN1) gene. Menin is a tumor suppressor protein, which directly controls cell growth in endocrine organs. Binding of menin to MLL fusion proteins upregulates expression of target genes involved in the malignant transformation of blood cells. In contrast, mutations to MLL fusion proteins that block association with menin abrogate the development of acute leukemia in mice. These findings demonstrate that menin functions as an essential oncogenic co-factor of MLL fusion proteins, and it implies that the menin-MLL interaction represents a valuable target for molecular therapy.

We have licensed from the University of Michigan a class of small molecule inhibitors of the menin-MLL fusion protein interaction that specifically bind to menin with nanomolar potency. By blocking menin – MLL fusion protein interactions, these compounds effectively reverse MLL fusion protein-mediated leukemic transformation by down regulating the expression of target genes required for MLL-fusion protein oncogenic activity. These compounds also selectively block proliferation and induce both apoptosis and differentiation of leukemia cells harboring MLL translocations.

Opportunity for Kura Oncology

Our menin-MLL development program is aimed at identifying product candidates with the potential to effectively treat patients with MLL-r leukemias – a subset of adult and pediatric patients who today have no effective therapy – as well as MLL-PTD leukemias, a subset of acute myeloid leukemias that have no effective therapy.

License and Asset Purchase Agreements

Janssen Pharmaceutica NV

We entered into a license agreement with Janssen Pharmaceutica NV, or Janssen, on December 18, 2014, which grants us exclusive global rights to develop and commercialize tipifarnib in the field of oncology and includes the right to grant sublicenses. We are obligated under the license agreement to use commercially reasonable efforts to develop and commercialize tipifarnib in oncology and, with the exception of the transfer to us without cost of Janssen's existing inventory of tipifarnib material, we are responsible for all future development and commercialization costs for tipifarnib in oncology. Under the license agreement, Janssen has a first right to negotiate for an exclusive license back from Kura to develop and commercialize tipifarnib on terms to be negotiated in good faith. Janssen may exercise this right of first negotiation during the 60-day period following completion of a Phase 2 clinical trial of tipifarnib in HRAS mutant patients in oncology and delivery by Kura to Janssen of a complete data package from such clinical trial.

Under the terms of the license agreement, on January 20, 2015 we issued a convertible promissory note in the principal amount of $1,000,000 to Johnson & Johnson Innovation—JJDC, Inc., which automatically converted into shares of Kura common stock in the Private Placement. When and if commercial sales of tipifarnib begin, we are obligated to pay Janssen tiered royalties of low double digit percentages of our net sales, depending on the amount of our net sales, with standard provisions for royalty offsets in the event of generic competition or compulsory licenses. We are also required to make regulatory milestone payments to Janssen of up to $25 million in the aggregate, if specified regulatory approvals are achieved for the first indication and additional payments for each subsequent indication if specified regulatory approvals are achieved. In addition, we are required to make sales milestone payments of up to $50 million in the aggregate if specified sales thresholds are surpassed. If we grant sublicenses under the license from Janssen, we are required to pay to Janssen a percentage of any upfront, lump-sum or milestone payments received from our sublicensee, subject to certain exclusions for regulatory milestone payments due under the license agreement.

The license agreement with Janssen will remain in effect until the expiration of all of our royalty and sublicense revenue obligations to Janssen, determined on a product-by-product and country-by-country basis, unless we elect to terminate the license agreement earlier. If we fail to meet our obligations under the license agreement and are unable to cure such failure within specified time periods, Janssen can terminate the license agreement, resulting in a loss of our rights to tipifarnib.

Araxes Pharma LLC

We entered into an asset purchase agreement with Araxes Pharma LLC, or Araxes, on December 23, 2014, under which we purchased all of Araxes' patent rights in the ERK program, including KO-947 and additional backup compounds, and related intellectual property. When and if commercial sales of a product candidate covered by the purchased patent rights begin, we are obligated to pay Araxes tiered royalties of low single digit percentages of our net sales, depending on the amount of our net sales with standard provisions for royalty offsets. We are also required to make development and regulatory milestone payments to Araxes of up to $9.7 million in the aggregate if specified development events and regulatory approvals are achieved. Under the terms of the asset purchase agreement, on December 23, 2014 we issued a convertible promissory note in the principal amount of $500,000 to Araxes, which automatically converted into shares of Kura common stock in the Private Placement.

Competition

The development and commercialization of new products to treat cancer is intensely competitive and subject to rapid and significant technological change. While we believe that our knowledge, experience and scientific resources provide us with competitive advantages, we face substantial competition from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. Many of our competitors have significantly greater financial, technical, and human resources. Smaller and early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. As a result, our competitors may discover, develop, license or commercialize products before or more successfully than we do.

We face competition with respect to our current product candidates, and will face competition with respect to future product candidates, from segments of the pharmaceutical, biotechnology and other related markets that pursue approaches to targeting molecular alterations and signaling pathways associated with cancer. Our competitors may obtain regulatory approval of their products more rapidly than we do or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates. Our competitors may also develop drugs that are more effective, more convenient, less costly, or possessing better safety profiles than our products, and these competitors may be more successful than us in manufacturing and marketing their products.

In addition, we will need to develop our product candidates in collaboration with diagnostic companies, and we will face competition from other companies in establishing these collaborations. Our competitors will also compete with us in recruiting and retaining qualified scientific, management and commercial personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Furthermore, we also face competition more broadly across the market for cost-effective and reimbursable cancer treatments. The most common methods of treating patients with cancer are surgery, radiation and drug therapy, including chemotherapy, hormone therapy and targeted drug therapy or a combination of such methods. There are a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. While our product candidates, if any are approved, may compete with these existing drug and other therapies, to the extent they are ultimately used in combination with or as an adjunct to these therapies, our product candidates may not be competitive with them. Some of these drugs are branded and subject to patent protection, and others are available on a generic basis. Insurers and other third-party payors may also encourage the use of generic products or specific branded products. We expect that if our product candidates are approved, they will be priced at a premium over competitive generic, including branded generic, products. As a result, obtaining market acceptance of, and gaining significant share of the market for, any of our product candidates that we successfully introduce to the market will pose challenges. In addition, many companies are developing new therapeutics, and we cannot predict what the standard of care will be as our product candidates progress through clinical development.

Tipifarnib Competition

While there are currently no approved drugs targeting farnesyltransferase, we are aware of a number of compounds that are now or have previously been in clinical development, including Merck's lonafarnib, Bristol-Myers Squibb's BMS-214662, Astellas Pharma's (formerly OSI) CP-609,754, and AstraZeneca's AZD3409. To our knowledge, there are no ongoing clinical trials evaluating any of these agents for the treatment of cancer. However, the initiation of clinical development of these agents in an oncology setting could become competitively significant, and if tipifarnib or our other product candidates do not offer sustainable advantages over competing products, we may not be able to successfully compete against current and future competitors.

Even if we are successful in developing our product candidates, the resulting products would compete with a variety of established drugs in targeted therapeutic indication of peripheral T-cell lymphoma, including belinostat (Beleodaq®) and pralatrexate (Folotyn®), marketed by Spectrum Pharmaceuticals, romidepsin (Istodax®), marketed by Celgene, and brentuximab vedotin (Adcetris®) (for anaplastic large-cell lymphoma), marketed by Seattle Genetics. Although there are currently no drugs approved specifically for the treatment of HRAS-mutant solid tumors, there are a number of targeted therapies approved for the treatment of thyroid cancer, including AstraZeneca's vandetanib (Caprelsa®), Bayer's sorafenib (Nexavar®), Exelixis' cabozantinib (Cometriq®) and Eisai's lenvatinib (Lenvima®).

ERK Inhibitor Competition

While there are currently no approved drugs targeting extracellular-signal regulated kinase (ERK), we are aware of a number of compounds that are in clinical development, including Merck's SCH772984, Roche/Genentech's GDC-0994, Celgene's CC-90003, and BioMed Valley Discoveries' BVD-523. Furthermore, it is possible that other companies are also engaged in discovery or preclinical development of compounds targeting ERK. These competitors, if successful in clinical development, may achieve clinical activity, regulatory approval and market adoption in advance of our compounds, constraining the ability of our compounds to gain significant market share. Although we believe that our ERK inhibitors, including KO-947, present several potential advantages relative to these aforementioned candidates, including potency against and selectivity for ERK as demonstrated in preclinical studies, these results may not translate to superior therapeutic benefit in clinical trials.

Menin-MLL Inhibitor Competition

There are no drugs approved or in clinical trials targeting the Menin-MLL protein-protein interaction. Although there are no targeted therapies approved specifically for the treatment of MLL-rearranged leukemias, there are a number of products in clinical development, including Epizyme's EPZ-5676 and Novartis's midostaurin, as well as Pfizer's palbociclib (IBRANCE®), which has received accelerated approval in combination with letrozole, for the treatment of postmenopausal women with estrogen receptor-positive, human epidermal growth factor receptor 2-negative (ER+/HER2-) advanced breast cancer as initial endocrine-based therapy for their metastatic disease.

Commercialization

We have not yet established a sales, marketing or product distribution infrastructure because our lead candidates are still in discovery, preclinical or early clinical development. We anticipate that we will aim to retain commercial rights in North America for any of our product candidates for which we may in the future receive marketing approvals. We may also seek to retain commercial rights in Europe for any of our product candidates for which we may in the future receive marketing approvals. We currently anticipate that, if and when appropriate, we will seek to access the North American or European oncology markets through a focused, specialized, internal sales force.

Subject to receiving marketing approvals, we expect to commence commercialization activities by building a focused internal sales and marketing team in North America to sell our products. We may also build a focused internal sales and marketing team in Europe to sell our products. We believe that such an approach will enable us to address the community of oncologists who are the key specialists in treating the patient populations for which our current product candidates are being developed. Outside of regions where we maintain commercial rights, we may enter into distribution and other marketing arrangements with third parties for any of our product candidates that obtain marketing approval in foreign jurisdictions.

We also aim to build a marketing and sales management force to create and implement marketing strategies for any products that we may in the future market through our own sales teams and to oversee and support our sales force. We anticipate that our goals for any such marketing force include developing educational initiatives with respect to any approved products and establishing relationships with thought leaders in relevant fields of medicine.

We currently expect that any third parties with which we may collaborate in the future on the development of any commercial companion diagnostics for use with our therapeutic products will most likely hold the commercial rights to those diagnostic products. We expect that we would coordinate closely with any future diagnostic collaborators in connection with the marketing and sale of such diagnostic products and our related therapeutic products.

Manufacturing

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We currently rely, and expect to continue to rely, on third parties for the manufacture of our product candidates for preclinical and clinical testing as well as for commercial manufacture of any products that we may commercialize. Under our license agreement with Janssen, Janssen has provided us with its existing inventory of clinical supply of tipifarnib, which we believe will support our planned

Phase 2 clinical trials of tipifarnib. Janssen also provided us with its existing inventory of the crude drug substance and bulk key intermediate for manufacture of drug substance for tipifarnib. If needed, we aim to engage, by entering into a supply agreement or through another arrangement, third party manufacturers to provide us with additional tipifarnib clinical supply. For all of our product candidates, we aim to identify and qualify manufacturers to provide the active pharmaceutical ingredient and fill-and-finish services prior to submission of a new drug application (NDA) to the FDA.

We generally expect to rely on third parties for the manufacture of any companion diagnostics we or our collaborators may develop.

Intellectual Property

Our commercial success depends in part on our ability to obtain and maintain proprietary or intellectual property protection for our product candidates and our core technologies, including novel biomarker and diagnostic discoveries and other know-how, to operate without infringing on the proprietary rights of others and to prevent others from infringing our proprietary or intellectual property rights. We expect that we will seek to protect our proprietary and intellectual property position by, among other methods, licensing or filing our own U.S., international and foreign patent applications related to our proprietary technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary and intellectual property position, which we generally seek to protect through contractual obligations with third parties.

We currently, and expect that we will continue to, file or license patent applications directed to our key product candidates in an effort to establish intellectual property positions regarding new chemical entities relating to these product candidates, as well as uses of new chemical entities in the treatment of various cancers. We also intend to seek patent protection, if available, with respect to biomarkers that may be useful in selecting the right patient population for use of any of our product candidates. We own or in-license a patent portfolio consisting of over 20 patent families, including issued U.S. patents and their respective counterparts in a number of foreign jurisdictions, pending U.S. patent applications, pending applications under the Patent Cooperation Treaty and corresponding pending patent applications in a number of foreign jurisdictions. The issued U.S. patents cover tipifarnib and the issued patents covering composition of matter of tipifarnib are expected to expire in 2016 without patent term extension. The pending patent applications pertain to our ERK program and our Menin-MLL program. We would expect that any patents that may issue from the pending U.S. patent applications directed to our ERK product candidate would likely start to expire in 2034; however, any and all of these patent applications may not result in issued patents.

In addition to the patent applications that we have filed to date, we plan to continue to expand our intellectual property portfolio by filing patent applications directed to dosage forms, methods of treatment and additional inhibitor compounds of oncology molecular targets and their derivatives. Specifically, we anticipate that we will seek patent protection in the United States and internationally for novel compositions of matter covering the compounds, the chemistries and processes for manufacturing these compounds, their intermediates and/or metabolites, the use of these compounds in a variety of therapies and the use of biomarkers for patient selection for these compounds. However, these or other patent applications that we may file or license from third parties may not result in the issuance of patents, and any issued patents may cover limited claims that reduce their value and/or may be challenged, invalidated or circumvented. See “Risk Factors—Rights Related to Our Intellectual Property.”

In addition to patents, we also rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our collaborators, scientific advisors, employees and consultants, and invention assignment agreements with our employees and selected consultants, scientific advisors and collaborators. The confidentiality agreements are designed to protect our proprietary information and, in the case of agreements or clauses requiring invention assignment, to grant us ownership of technologies that are developed through a relationship with a third-party.

Orange Book Listing

In seeking approval for a drug through an NDA, applicants are required to list with the FDA certain patents whose claims cover the applicant’s product. Upon approval, each of the patents listed in the application for the drug is then published in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Any applicant who files an ANDA seeking approval of a generic equivalent version of a drug listed in the Orange Book or a Section 505(b)(2) NDA referencing a drug listed in the Orange Book must certify to the FDA that (1) no patent information on the drug product that is the subject of the application has been submitted to the FDA; (2) such patent has expired; (3) the date on which such patent expires; or (4) such patent is invalid or will not be infringed upon by the manufacture, use or sale of the

drug product for which the application is submitted. This last certification is known as a paragraph IV certification. A notice of the paragraph IV certification must be provided to each owner of the patent that is the subject of the certification and to the holder of the approved NDA to which the ANDA or Section 505(b)(2) application refers. The applicant may also elect to submit a "section viii" statement certifying that its proposed label does not contain (or carves out) any language regarding the patented method-of-use rather than certify to a listed method-of-use patent.

If the NDA holder for the reference drug and/or patent owners assert a patent challenge directed to one of the Orange Book listed patents within 45 days of the receipt of the paragraph IV certification notice, the FDA is prohibited from approving the application until the earlier of 30 months from the receipt of the paragraph IV certification, expiration of the patent, settlement of the lawsuit, or a decision in the infringement case that is favorable to the applicant. The ANDA or Section 505(b)(2) application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the reference drug has expired as described in further detail below.

Non-Patent Exclusivity

In addition to patent exclusivity, the holder of an NDA for a listed drug may be entitled to a period of non-patent exclusivity, during which the FDA cannot approve an ANDA or Section 505(b)(2) application that relies on the listed drug. For example, a pharmaceutical manufacturer may obtain five years of non-patent exclusivity upon FDA approval of a new chemical entity, or NCE, which is a drug that contains an active moiety that has not been approved by the FDA in any other NDA. An "active moiety" is defined as the molecule or ion responsible for the drug substance's physiological or pharmacologic action. During the five year exclusivity period, the FDA cannot accept for filing any ANDA seeking approval of a generic version of that drug or any Section 505(b)(2) NDA for the same active moiety and that relies on the FDA's findings regarding that drug, except that the FDA may accept an application for filing after four years if the follow-on applicant makes a paragraph IV certification. Five-year NCE exclusivity does not block the submission, review or approval of a 505(b)(1) NDA.

Patent Term Extension

After NDA approval, owners of relevant drug patents may apply for up to a five-year patent extension. The allowable PTE is calculated as half of the drug's testing phase—the time between IND application and NDA submission—plus all of the review phase—the time between NDA submission and approval up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the U.S. PTO must determine that approval of the drug covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug for which an NDA has not been submitted.

Government Regulation

FDA Approval Process

In the United States, pharmaceutical products are subject to extensive regulation by FDA. The Federal Food, Drug and Cosmetic Act and other federal and state statutes and regulations govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling and import and export of pharmaceutical products. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending new drug applications, or NDAs, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

Pharmaceutical product development for a new product or certain changes to an approved product in the U.S. typically involves preclinical laboratory and animal tests, the submission to FDA of an investigational new drug application, or IND, which must become effective before clinical testing may commence, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease.

Preclinical tests include laboratory evaluation of product chemistry, formulation and toxicity, as well as animal trials to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with

federal regulations and requirements, including good laboratory practices. The results of preclinical testing are submitted to FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls, and a proposed clinical trial protocol. Long-term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin.

Clinical trials involve the administration of the investigational new drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with good clinical practice, or GCP, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to FDA as part of the IND.

FDA may order the temporary, or permanent, discontinuation of a clinical trial at any time, or impose other sanctions, if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board, or IRB, for approval. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human patients, the drug is tested to assess metabolism, pharmacokinetics, pharmacological actions, side effects associated with increasing doses, and, if possible, early evidence of effectiveness. Phase 2 usually involves trials in a limited patient population to determine the effectiveness of the drug for a particular indication, dosage tolerance and optimum dosage, and to identify common adverse effects and safety risks. If a compound demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug. In most cases FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in rare instances where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

After completion of the required clinical testing, an NDA is prepared and submitted to FDA. FDA approval of the NDA is required before marketing of the product may begin in the U.S. The NDA must include the results of all preclinical, clinical and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture and controls. The cost of preparing and submitting an NDA is substantial, and the fees are typically increased annually.

FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, FDA begins an in-depth review. FDA has agreed to certain performance goals in the review of new drug applications to encourage timeliness. Most applications for standard review drug products are reviewed within twelve months from submission; most applications for priority review drugs are reviewed within eight months from submission. Priority review can be applied to drugs that FDA determines offer major advances in treatment, or provide a treatment where no adequate therapy exists. The review process for both standard and priority review may be extended by FDA for three additional months to consider certain late-submitted information, or information intended to clarify information already provided in the submission.

FDA may also refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an outside 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. FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

Before approving an NDA, FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, FDA will inspect the facility or the facilities at which the drug is manufactured. FDA will not approve the product unless compliance with current good manufacturing practice, or GMP—a quality system regulating manufacturing—is

satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

After FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for FDA to reconsider the application. If, or when, those deficiencies have been addressed to FDA's satisfaction in a resubmission of the NDA, FDA will issue an approval letter. FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Fast Track Designation and Accelerated Approval

FDA is required to facilitate the development, and expedite the review, of drugs that are intended for the treatment of a serious or life-threatening disease or condition for which there is no effective treatment and which demonstrate the potential to address unmet medical needs for the condition. Under the Fast Track program, the sponsor of a new drug candidate may request that FDA designate the drug candidate for a specific indication as a Fast Track drug concurrent with, or after, the filing of the IND for the drug candidate. FDA must determine if the drug candidate qualifies for Fast Track Designation within 60 days of receipt of the sponsor's request.

Under the Fast Track program and FDA's accelerated approval regulations, FDA may approve a drug for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments.

In clinical trials, a surrogate endpoint is a measurement of laboratory or clinical signs of a disease or condition that substitutes for a direct measurement of how a patient feels, functions, or survives. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. A drug candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of Phase 4 or post-approval clinical trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or confirm a clinical benefit during post-marketing studies, will allow FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated regulations are subject to priority review by FDA.

If a submission is granted Fast Track Designation, the sponsor may engage in more frequent interactions with FDA, and FDA may review sections of the NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, FDA's time period goal for reviewing an application does not begin until the last section of the NDA is submitted. Additionally, Fast Track Designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Breakthrough Therapy Designation

FDA is also required to expedite the development and review of the application for approval of drugs that are intended to treat a serious or life-threatening disease or condition where preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. Under the

Breakthrough Therapy program, the sponsor of a new drug candidate may request that FDA designate the drug candidate for a specific indication as a breakthrough therapy concurrent with, or after, the filing of the IND for the drug candidate. FDA must determine if the drug candidate qualifies for Breakthrough Therapy designation within 60 days of receipt of the sponsor's request.

Orphan Drug Designation and Exclusivity

The Orphan Drug Act provides incentives for the development of products intended to treat rare diseases or conditions. Under the Orphan Drug Act, the FDA may grant orphan designation to a drug intended to treat a rare disease or condition, which is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States and for which there is no reasonable expectation that the cost of developing and making a drug available in the United States for this type of disease or condition will be recovered from sales of the product. If a sponsor demonstrates that a drug is intended to treat a rare disease or condition, the FDA will grant orphan designation for that product for the orphan disease indication, assuming that the same drug has not already been approved for the indication for which the sponsor is seeking orphan designation. If the same drug has already been approved for the indication for which the sponsor is seeking orphan designation, the sponsor must present a plausible hypothesis of clinical superiority in order to obtain orphan designation. Orphan designation must be requested before submitting an NDA. After the FDA grants orphan designation, the FDA discloses the identity of the therapeutic agent and its potential orphan use.

Orphan designation may provide manufacturers with benefits such as research grants, tax credits, PDUFA application fee waivers, and eligibility for orphan drug exclusivity. If a product that has orphan designation subsequently receives the first FDA approval of the active moiety for that disease or condition for which it has such designation, the product is entitled to orphan drug exclusivity, which for seven years prohibits the FDA from approving another product with the same active ingredient for the same indication, except in limited circumstances. Orphan drug exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product with the same active ingredient for the same indication is shown to be clinically superior to the approved product on the basis of greater efficacy or safety, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand. Further, the FDA may approve more than one product for the same orphan indication or disease as long as the products contain different active ingredients. Moreover, competitors may receive approval of different products for the indication for which the orphan drug has exclusivity or obtain approval for the same product but for a different indication for which the orphan drug has exclusivity.

In the European Union, orphan drug designation also entitles a party to financial incentives such as reduction of fees or fee waivers and 10 years of market exclusivity is granted following drug or biological product approval. This period may be reduced to 6 years if the orphan drug designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity.

Orphan drug designation must be requested before submitting an application for marketing approval. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

Post-Approval Requirements

Once an NDA is approved, a product will be subject to certain post-approval requirements. For instance, FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic reports are required following FDA approval of an NDA. FDA also may require post-marketing testing, known as Phase 4 testing, risk evaluation and mitigation strategies, or REMS, and surveillance to monitor the effects of an approved product, or FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality control, drug manufacture, packaging and labeling procedures must continue to conform to current good manufacturing practices, or cGMPs, after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with FDA and certain state agencies. Registration with FDA subjects entities to periodic unannounced inspections by FDA, during which the Agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Pediatric Information

Under the Pediatric Research Equity Act, or PREA, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. FDA may grant full or partial waivers, or deferrals, for submission of data. Unless otherwise required by regulation, PREA does not apply to any drug for an indication for which orphan designation has been granted.

The Best Pharmaceuticals for Children Act, or BPCA, provides NDA holders a six-month extension of any exclusivity—patent or non-patent—for a drug if certain conditions are met. Conditions for exclusivity include FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, FDA making a written request for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

FDA Regulation of Companion Diagnostics

Our drug products may rely upon in vitro companion diagnostics for use in selecting the patients that we believe will respond to our cancer therapeutics. If safe and effective use of a therapeutic product depends on an in vitro diagnostic, FDA generally will require approval or clearance of the diagnostic at the same time that FDA approves the therapeutic product. This policy is described in an August 2014 FDA guidance document.

FDA has required in vitro companion diagnostics intended to select the patients who will respond to cancer treatment to obtain a pre-market approval, or PMA, for that diagnostic simultaneously with approval of the drug. We believe that FDA will require PMA approval of one or more in vitro companion diagnostics to identify patient populations suitable for our cancer therapies. The review of these in vitro companion diagnostics in conjunction with the review of our cancer treatments involves coordination of review by FDA's Center for Drug Evaluation and Research and by FDA's Center for Devices and Radiological Health.

The PMA process, including the gathering of clinical and nonclinical data and the submission to and review by FDA, can take several years or longer. It involves a rigorous premarket review during which the applicant must prepare and provide FDA with reasonable assurance of the device's safety and effectiveness and information about the device and its components regarding, among other things, device design, manufacturing and labeling. PMA applications are subject to an application fee. In addition, PMAs for certain devices must generally include the results from extensive preclinical and adequate and well-controlled clinical trials to establish the safety and effectiveness of the device for each indication for which FDA approval is sought. In particular, for a diagnostic, the applicant must demonstrate that the diagnostic produces reproducible results when the same sample is tested multiple times by multiple users at multiple laboratories. As part of the PMA review, FDA will typically inspect the manufacturer's facilities for compliance with the Quality System Regulation, or QSR, which imposes elaborate testing, control, documentation and other quality assurance requirements.

PMA approval is not guaranteed, and FDA may ultimately respond to a PMA submission with a not approvable determination based on deficiencies in the application and require additional clinical trial or other data that may be expensive and time-consuming to generate and that can substantially delay approval. If FDA's evaluation of the PMA application is favorable, FDA typically issues an approvable letter requiring the applicant's agreement to specific conditions, such as changes in labeling, or specific additional information, such as submission of final labeling, in order to secure final approval of the PMA. If FDA concludes that the applicable criteria have been met, FDA will issue a PMA for the approved indications, which can be more limited than those originally sought by the applicant. The PMA can include post-approval conditions that FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution.

After a device is placed on the market, it remains subject to significant regulatory requirements. Medical devices may be marketed only for the uses and indications for which they are cleared or approved. Device manufacturers must also establish registration and device listings with FDA. A medical device manufacturer's manufacturing processes and those of its suppliers are required to comply with the applicable portions of the QSR, which cover the methods and documentation of the design, testing, production, processes, controls, quality assurance, labeling, packaging and shipping of medical devices. Domestic facility records and manufacturing processes are subject to periodic unscheduled inspections by FDA. FDA also may inspect foreign facilities that export products to the United States.

Failure to comply with applicable regulatory requirements can result in enforcement action by FDA, which may include any of the following sanctions: warning letters, fines, injunctions, civil or criminal penalties, recall or seizure of current or

future products, operating restrictions, partial suspension or total shutdown of production, denial of submissions for new products, or withdrawal of PMA approvals.

Clinical Trials and IDEs

A clinical trial is almost always required to support a PMA application. In some cases, one or more smaller Investigational Device Exemption (IDE) studies may precede a pivotal clinical trial intended to demonstrate the safety and efficacy of the investigational device.

All clinical studies of investigational devices must be conducted in compliance with the FDA's requirements. If an investigational device could pose a significant risk to patients pursuant to FDA regulations, the FDA must approve an IDE application prior to initiation of investigational use. IVD trials usually do not require an IDE, as the FDA does not judge them to be a significant risk because the results do not affect the patients in the study. However, for a trial where the IVD result directs the therapeutic care of patients with cancer, we believe that the FDA may consider the investigation to present significant risk and require an IDE application.

An IDE application must be supported by appropriate data, such as laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The FDA typically grants IDE approval for a specified number of patients. A non-significant risk device does not require FDA approval of an IDE. Both significant risk and non-significant risk investigational devices require approval from IRBs at the study centers where the device will be used.

During the critical trial, the sponsor must comply with the FDA's IDE requirements for investigator selection, trial monitoring, reporting and record keeping. The investigators must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of investigational devices and comply with all reporting and record keeping requirements. Prior to granting PMA approval, the FDA typically inspects the records relating to the conduct of the study and the clinical data supporting the PMA application for compliance with applicable requirements.

Although the QSR does not fully apply to investigational devices, the requirement for controls on design and development does apply. The sponsor also must manufacture the investigational device in conformity with the quality controls described in the IDE application and any conditions of IDE approval that the FDA may impose with respect to manufacturing.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our product candidates to the extent we choose to sell any products outside of the United States. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by regulatory authorities of foreign countries before we can commence clinical trials or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

Government authorities in the United States, at the federal, state and local level, and in other countries, extensively regulate, among other things, the research, development, testing, manufacture, including any manufacturing changes, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, import and export of pharmaceutical products, such as those we are developing.

Additional Regulations and Environmental Matters

In addition to FDA restrictions on marketing of pharmaceutical products, several other types of state and federal laws restrict certain marketing practices in the pharmaceutical industry in recent years. These laws, which generally will not be applicable to us or our product candidates unless and until we obtain FDA marketing approval for any of our product candidates, include transparency laws, anti-kickback statutes, false claims statutes and regulation regarding providing drug samples.

The federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. Violations of the federal anti-kickback statute are punishable by imprisonment, criminal fines, civil monetary penalties and exclusion from participation in federal healthcare programs.

Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to have a false claim paid. Recently, several pharmaceutical companies have been prosecuted under these laws for allegedly inflating drug prices they report to pricing services, which in turn were used by the government to set Medicare and Medicaid reimbursement rates, and for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. In addition, certain marketing practices, including off-label promotion, may also violate false claims laws.

The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

Further, sales of any of our product candidates that may be approved will depend, in part, on the extent to which the cost of the product will be covered by third party payors. Third party payors may limit coverage to an approved list of products, or formulary, which might not include all drug products approved by the FDA for an indication. Any product candidates for which we obtain marketing approval may not be considered medically necessary or cost-effective by third party payors, and we may need to conduct expensive pharmacoeconomic studies in the future to demonstrate the medical necessity and/or cost effectiveness of any such product. The U.S. government, state legislatures and foreign governments have shown increased interest in implementing cost containment programs to limit government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Continued interest in and adoption of such controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals such as the drug candidates we are developing.

In addition to regulatory schemes that apply, or may in the future apply, to our business, we are or may become subject to various environmental, health and safety laws and regulations governing, among other things, laboratory procedures and any use and disposal by us of hazardous or potentially hazardous substances in connection with our research and development activities. We do not presently expect such environmental, health and safety laws or regulations to materially impact our present or planned future activities.

Employees

As of the date of this report, we have 12 full-time employees and three part-time employees, including six employees with M.D. or Ph.D. degrees. None of our employees is represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

We occupy approximately 1,560 rentable square feet of office and laboratory space in La Jolla, California under a sublease that expires in August 2016. We also occupy two offices in Cambridge, Massachusetts under sublease that expires in October 2016. We believe that our facilities are sufficient to meet our current needs and that suitable additional space will be available as and when needed.

Legal Proceedings

Neither we nor our subsidiaries are currently a party to, nor is our property the subject of, any material legal proceedings.

FORWARD-LOOKING STATEMENTS

Statements in this Current Report on Form 8-K that are not descriptions of historical facts are forward-looking statements that are based on management's current expectations and are subject to risks and uncertainties that could negatively affect our business, operating results, financial condition and stock price. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," "will," "would" or the negative of these terms or other comparable terminology. Factors that could cause actual results to differ materially from those currently anticipated include those set forth in the section titled "Risk Factors" including, in particular, risks relating to:

- the initiation, cost, timing, progress and results of our research and development activities, clinical trials and preclinical studies;
- the early stage of products under development;

- the timing of and our ability to obtain and maintain regulatory approval of our existing product candidates, any product candidates that we may develop, and any related restrictions, limitations, and/or warnings in the label of any approved product candidates;
- our plans to research, develop and commercialize our future product candidates;
- our ability to attract collaborators with development, regulatory and commercialization expertise;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- our ability to successfully commercialize our product candidates;
- the size and growth of the markets for our product candidates and our ability to serve those markets;
- the rate and degree of market acceptance of any future products;
- the success of competing drugs that are or become available;
- government regulation;
- regulatory developments in the United States and other countries;
- the performance of our third-party suppliers and manufacturers and our ability to obtain alternative sources of raw materials;
- our ability to obtain additional financing;
- our use of the proceeds from our recently completed private placement;
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act;
- the accuracy of our estimates regarding expenses, future revenues, capital requirements and the need for additional financing; and
- our ability to attract and retain key management, scientific or clinical personnel.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section titled “Risk Factors.” Moreover, we operate in a very competitive and rapidly-changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Current Report on Form 8-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Current Report on Form 8-K to conform these statements to actual results or to changes in our expectations.

RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to the other information set forth in this Current Report on Form 8-K, you should carefully consider the factors discussed below when considering an investment in our common stock. If any of the events contemplated by the following discussion of risks should occur, our business, results of operations and financial condition could suffer significantly. As a result, you could lose some or all of your investment in our common stock. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business.

Risks Related to Our Financial Position and Need For Additional Capital

We expect to incur losses over the next several years and may never achieve or maintain profitability.

We expect that it will be many years, if ever, before we have a product candidate ready for commercialization. To date, we have financed our operations primarily through equity and debt financings. We expect to continue to incur significant

expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if and as we:

- continue development of our product candidates;
- initiate clinical trials for our product candidates;
- seek marketing approvals for our product candidates;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;
- hire additional personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts; and
- incur increased costs as a result of operating as a public company.

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

Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are an early-stage clinical development company. Kura was incorporated in August 2014 and commenced operations in the fourth quarter of 2014. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, identifying and acquiring potential product candidates, undertaking preclinical studies and preparing to undertake clinical studies of our most advanced product candidate, tipifarnib. We have not yet demonstrated our ability to commence or successfully complete any clinical trials, including those clinical trials in support of FDA approval, obtain marketing approvals, manufacture a commercial scale product, or arrange for a third-party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Medicines, on average, take 10 to 15 years to be developed from the time they are discovered to the time they are available for treating patients. Consequently, any predictions you make about our future success or viability based on our short operating history to date may not be as accurate as they could be if we had a longer operating history.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We are a clinical-stage company with no approved products and no historical product revenue. Consequently, we expect that our financial and operating results will vary significantly from period to period.

We are a clinical-stage company that has incurred losses since its inception and expect to continue to incur substantial losses in the foreseeable future. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of uncertainty. We expect our actual financial condition and operating results to fluctuate significantly from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond our control. Factors relating to our business that may contribute to these fluctuations include:

- the success of our clinical trials through all phases of clinical development;
- delays in the commencement, enrollment and timing of clinical trials;

- our ability to secure and maintain collaborations, licensing or other arrangements for the future development and/or commercialization of our product candidates, as well as the terms of those arrangements;
- our ability to obtain, as well as the timeliness of obtaining, additional funding to develop our product candidates;
- the results of clinical trials or marketing applications for product candidates that may compete with our product candidates;
- competition from existing products or new products that may receive marketing approval;
- potential side effects of our product candidates that could delay or prevent approval or cause an approved drug to be taken off the market;
- any delays in regulatory review and approval of our product candidates;
- our ability to identify and develop additional product candidates;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for our products;
- our ability, and the ability of third parties such as Clinical Research Organizations, or CROs, to adhere to clinical study and other regulatory requirements;
- the ability of third-party manufacturers to manufacture our product candidates and key ingredients needed to conduct clinical trials and, if approved, successfully commercialize our products;
- the costs to us, and our ability as well as the ability of any third-party collaborators, to obtain, maintain and protect our intellectual property rights;
- costs related to and outcomes of any future intellectual property litigation;
- our ability to adequately support future growth;
- our ability to attract and retain key personnel to manage our business effectively; and
- our ability to build our finance infrastructure and, to the extent required, improve our accounting systems and controls.

Accordingly, the likelihood of our success must be evaluated in light of many potential challenges and variables associated with a clinical-stage company, many of which are outside of our control, and past operating or financial results should not be relied on as an indication of future results. Fluctuations in our operating and financial results could cause our share price to decline. It is possible that in some future periods, our operating results will be above or below the expectations of securities analysts or investors, which could also cause our share price to decline.

We may be unable to raise additional funds when needed. Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings and debt financings. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our

stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect rights of our stockholders as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

We cannot be certain that additional funding will be available on acceptable terms, or at all. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts.

Our ability to use our net operating tax 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% change (by value) in its equity ownership over a three-year period), the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. As a result of the Private Placement and other transactions that have occurred over the past three years, we may trigger an "ownership change" limitation. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards and other pre-change tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us.

Risks Related to the Discovery and Development of Our Product Candidates

Our discovery and preclinical development is focused on the development of targeted therapeutics for patients with genetically defined cancers, which is a rapidly evolving area of science, and the approach we are taking to discover and develop drugs is novel and may never lead to marketable products.

The discovery and development of targeted drug therapeutics for patients with genetically defined cancers is an emerging field, and the scientific discoveries that form the basis for our efforts to discover and develop product candidates are relatively new. The scientific evidence to support the feasibility of developing product candidates based on these discoveries is both preliminary and limited. The patient populations for our product candidates are not completely defined but are substantially smaller than the general treated cancer population, and we will need to screen and identify these patients. Successful identification of patients is dependent on several factors, including achieving certainty as to how specific genetic alterations respond to our product candidates and developing companion diagnostics to identify such genetic alterations. Furthermore, even if we are successful in identifying patients, we cannot be certain that the resulting patient populations will be large enough to allow us to successfully commercialize our products and achieve profitability. Therefore, we do not know if our approach of treating patients with genetically defined cancers will be successful, and if our approach is unsuccessful, our business will suffer.

Our research and development programs and product candidates are at an early stage of development. As a result we are unable to predict if or when we will successfully develop or commercialize our product candidates.

Our clinical-stage product candidate, tipifarnib, as well as our other pipeline assets are at an early stage of development and will require significant investment and regulatory approvals prior to commercialization. We currently have no product candidates beyond Phase 2 clinical trials. We anticipate commencing a Phase 2 clinical trial of tipifarnib in advanced solid tumors with the HRAS mutation in the second quarter of 2015 and a Phase 2 clinical trial in peripheral T-cell lymphoma in the third quarter of 2015. Our lead candidate in our ERK program, KO-947, is in IND-enabling pre-clinical development, and our backup compounds in the ERK program as well as our other programs, including our Menin-MLL program, are in earlier stages of development. Each of our product candidates will require additional clinical and preclinical development, management of clinical, preclinical and manufacturing activities, obtaining regulatory approval, obtaining manufacturing supply, building of a commercial organization, substantial investment and significant marketing efforts before we generate any revenues from product sales. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive such regulatory approval for any of our product candidates. In addition, our product development programs contemplate the development of companion diagnostics. Companion diagnostics are subject to regulation as medical devices and we may be required to obtain marketing approval for accompanying companion diagnostics before we may commercialize our product candidates.

We cannot be certain that such clinical development of tipifarnib or any of our other product candidates will be successful or that we will obtain regulatory approval or be able to successfully commercialize any of our product candidates and generate revenue. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and the clinical trial process may fail to demonstrate that our product candidates are safe and effective for their

proposed uses. Any such failure could cause us to abandon further development of any one or more of our product candidates and may delay development of other product candidates. 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. Tipifarnib has been studied in more than 5,000 patients, including more than 600 patients at the dose and schedule we intend to use in our Phase 2 trials. At that dose and schedule, tipifarnib exhibited a manageable side effect profile and was generally well tolerated. In prior studies tipifarnib demonstrated anti-cancer activity in certain patient subsets. However the anti-cancer activity observed was not sufficient to support marketing approval by the FDA in the indication in which it was sought. Although we are designing our clinical trials to target the patient subsets who we believe are most likely to benefit from treatment with tipifarnib, there is no guarantee that our clinical trials will be successful. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Any delay in, or termination of, our clinical trials will delay and possibly preclude the filing of any new drug applications, or NDAs, with the FDA and, ultimately, our ability to commercialize our product candidates and generate product revenue.

We have not previously submitted an NDA to the FDA, or similar drug approval filings to comparable foreign authorities, for any product candidate, and we cannot be certain that any of our product candidates will receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our product candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approvals to market one or more of our product candidates, our revenues will be dependent, in part, upon our or our future collaborators' ability to obtain regulatory approval of the companion diagnostics to be used with our product candidates, if required, as well as the size of the markets in the territories for which we gain regulatory approval and have commercial rights. If the markets for patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of such products, if approved.

Difficulty in enrolling patients could delay or prevent clinical trials of our product candidates. We may find it difficult to enroll patients in our Phase 2 clinical trial for tipifarnib given that we do not know how many patients share the HRAS mutations tipifarnib is expected to inhibit.

Identifying and qualifying patients to participate in clinical studies of our product candidates is critical to our success. The timing of our clinical studies depends in part on the speed at which we can recruit patients to participate in testing our product candidates, and we may experience delays in our clinical trials if we encounter difficulties in enrollment. The patient population for our product candidates is not completely defined, but it is substantially smaller than other cancer indications, because we are looking for the same type of genetic alterations across different tumor types and the number of patients with these alterations may be small. For example, with respect to tipifarnib, we do not know how many patients will have the target HRAS mutations that tipifarnib is expected to inhibit.

In addition to the potentially small populations, the eligibility criteria of our clinical trials will further limit the pool of available study participants as we will require that patients have specific characteristics that we can measure or to assure their disease is either severe enough or not too advanced to include them in a study. Additionally, the process of finding and diagnosing patients may prove costly. We also may not be able to identify, recruit, and enroll a sufficient number of patients to complete our clinical studies because of the perceived risks and benefits of the product candidate under study, the availability and efficacy of competing therapies and clinical trials, the proximity and availability of clinical study sites for prospective patients, and the patient referral practices of physicians. If patients are unwilling to participate in our studies for any reason, the timeline for recruiting patients, conducting studies, and obtaining regulatory approval of potential products may be delayed.

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 revenue from any of these product candidates could be delayed or prevented. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process, and jeopardize our ability to commence product sales and generate revenue. Any of these occurrences may harm our business, financial condition, and prospects significantly. 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, including:

- unforeseen safety issues or adverse side effects;
- failure of our companion diagnostics in identifying patients;
- modifications to protocols of our clinical trials resulting from FDA or institutional review board, or IRB, decisions; and
- ambiguous or negative interim results of our clinical trials, or results that are inconsistent with earlier results.

We may not be successful in our efforts to build a pipeline of product candidates.

A key element of our strategy is to build a pipeline of small molecule product candidates that inhibit cancer signaling targets where we believe outcomes can be improved by using molecular diagnostics to identify those patients whose tumors have the genetic mutations most likely to respond to treatment, and to progress those product candidates through clinical development for the treatment of a variety of different types of cancer. We may not be able to develop product candidates that are safe and effective inhibitors of all or any of these targets. Even if we are successful in building a product pipeline, the potential product candidates that we identify may not be suitable for clinical development for a number of reasons, including causing harmful side effects or demonstrating other characteristics that indicate a low likelihood of receiving marketing approval or achieving market acceptance. If our methods of identifying potential product candidates fail to produce a pipeline of potentially viable drug candidates, then our success as a business will be dependent on the success of fewer potential product candidates, which introduces risks to our business model and potential limitations to any success we may achieve.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

The risk of failure for all of our product candidates is high. Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Further, 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, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products. For instance, the FDA issued a non-approval letter for tipifarnib in acute myelogenous leukemia, in June 2005. It is impossible to predict when or if any of our product candidates will prove effective or safe in humans or will receive regulatory approval.

We may experience delays in our clinical trials and we do not know whether planned clinical trials will begin or enroll patients on time, need to be redesigned or be completed on schedule, if at all. We have submitted the first tipifarnib Phase 2 study plan to the FDA and we expect to submit the second study plan to the FDA in the second quarter of 2015. If the FDA has comments that we are required to address, the initiation of one or both Phase 2 studies may be delayed. There can be no assurance that FDA will not put any of our product candidates on clinical hold in the future. We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates. Clinical trials may be delayed, suspended or prematurely terminated because costs are greater than we anticipate or for a variety of reasons, such as:

- delay or failure in reaching agreement with FDA or a comparable foreign regulatory authority on a trial design that we are able to execute;
- delay or failure in obtaining authorization to commence a trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical trial;
- delays in reaching, or failure to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- inability, delay, or failure in identifying and maintaining a sufficient number of trial sites, many of which may already be engaged in other clinical programs;
- delay or failure in recruiting and enrolling suitable subjects to participate in a trial;
- delay or failure in having subjects complete a trial or return for post-treatment follow-up;
- clinical sites and investigators deviating from trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial;
- lack of adequate funding to continue the clinical trial, including the incurrence of unforeseen costs due to enrollment delays, requirements to conduct additional clinical studies and increased expenses associated with the services of our CROs and other third parties;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate,

enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;

- we may experience delays or difficulties in the enrollment of patients whose tumors harbor the specific genetic alterations that our product candidates are designed to target;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we may have difficulty partnering with experienced contract research organizations (CROs) that can screen for patients whose tumors harbor the applicable genetic alterations and run our clinical trials effectively;
- regulators or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate; or
- there may be changes in governmental regulations or administrative actions.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings that would reduce the potential market for our products or inhibit our ability to successfully commercialize our products;
- be subject to additional post-marketing restrictions and/or testing requirements; or
- have the product removed from the market after obtaining marketing approval.

Our product development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether any of our preclinical studies or clinical trials will need to be restructured or will be completed on schedule, or at all. Significant preclinical or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

We may not be successful in advancing the clinical development of our product candidates, including tipifarnib.

In order to execute on our strategy of advancing the clinical development of our product candidates, we have designed our Phase 2 clinical trials of tipifarnib, and expect to design future trials, to include patients whose tumors harbor the applicable genetic alterations that we believe contribute to particular cancer subsets. Our goal in doing this is to enroll patients who have the highest probability of responding to the drug, in order to show early evidence of clinical efficacy. If we are unable to include patients whose tumors harbor the applicable genetic alterations, or if our product fails to work as we expect, our ability to assess the therapeutic effect, seek participation in FDA expedited review and approval programs, including Breakthrough Therapy, Fast Track Designation, Priority Review and Accelerated Approval, or otherwise to seek to accelerate clinical development and regulatory timelines, could be compromised, resulting in longer development times, larger trials and a greater likelihood of not obtaining regulatory approval. In addition, because the natural history of different tumor types is variable, we will need to study our product candidates, including tipifarnib, in clinical trials specific for a given tumor type and this may result in increased time and cost. Even if our product candidate demonstrates efficacy in a particular tumor type, we cannot guarantee that any product candidate, including tipifarnib, will behave similarly in all tumor types, and we will be required to obtain separate regulatory approvals for each tumor type we intend a product candidate to treat. If any of our clinical trials are unsuccessful, our business will suffer.

Preclinical and clinical testing of tipifarnib that has been conducted to date may not have been performed in compliance with applicable regulatory standards, which could lead to increased costs or material delays for their further development.

We have only recently licensed the rights to develop our lead product candidate, tipifarnib, from Janssen, and the development of tipifarnib prior to our license was conducted wholly by Janssen or any third parties with which it had contracted. As a result, we were not involved with nor did we have any control over any of those development activities. Because we had no input on Janssen's development activities relating to tipifarnib, we may discover that all or certain elements of the trials and studies it performed have not been in compliance with applicable regulatory standards or have otherwise been deficient, particularly relative to current requirements as development of tipifarnib began in the 1990's. Any such deficiency in the prior development of tipifarnib may adversely affect our ability to obtain regulatory approval for tipifarnib. We and Janssen are in the process of transitioning the development program documentation and databases from studies previously conducted by Janssen to us. We cannot assure you that our efforts to transition all of the necessary documentation from Janssen will be completed on a timely basis, or at all. If we are unable to successfully complete the transition of Janssen's tipifarnib development documentation to us on a timely basis, our development plans may be delayed, which could harm our business, prospects, financial condition and results of operations.

If serious adverse events or unacceptable side effects are identified during the development of our product candidates, we may need to abandon or limit our development of some of our product candidates.

If our product candidates are associated with undesirable side effects in preclinical or clinical trials or have characteristics that are unexpected, we may need to interrupt, delay or abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Tipifarnib has been studied in more than 5,000 patients, including more than 600 patients at the dose and schedule we intend to use in our Phase 2 trials. At that dose and schedule, tipifarnib exhibited a manageable side effect profile and was generally well tolerated. The most common hematologic adverse events of any grade were neutropenia (low white blood cell count), anemia and thrombocytopenia (low platelet count). The most common non-hematologic adverse events of any grade were gastrointestinal system disorders (nausea, anorexia, diarrhea and vomiting, and abdominal pain) fatigue, and fever.

Treatment discontinuation with this regimen was approximately 20%. There is no guarantee that additional or more severe side effects will not be identified through further clinical studies. Rights to develop tipifarnib in certain non-oncology indications have been granted by Janssen to EB Pharma, a subsidiary of Eiger BioPharmaceuticals. Janssen may grant rights to other non-oncology indications to other third parties. Undesirable side effects may be identified in clinical trials that EB Pharma or any other third party may conduct in non-oncology indications, which may negatively impact the development, commercialization or potential value of tipifarnib. These or other drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Many compounds developed in the biopharmaceutical industry that initially showed promise in early-stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound. Any of these occurrences may harm our business, financial condition and prospects significantly.

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

Because we have limited financial and managerial resources, we must focus on a limited number of research programs and product candidates and on specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications 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 discovery and preclinical development programs and product candidates for specific indications may not yield any commercially viable products.

Failure to successfully validate, develop and obtain regulatory approval for companion diagnostics for our product candidates could harm our drug development strategy and operational results.

As one of the central elements of our business strategy and clinical development approach, we seek to screen and identify subsets of patients with a genetic alteration who may derive meaningful benefit from our development product candidates. To achieve this, our product development program is dependent on the development and commercialization of a companion diagnostic by us or by third party collaborators. Companion diagnostics are developed in conjunction with clinical programs for the associated product and are subject to regulation as medical devices. Each agency that approves a product will independently need to approve the companion diagnostic before or concurrently with its approval of the product candidate, and before a product can be commercialized. The approval of a companion diagnostic as part of the product label will limit the use of the product candidate to only those patients who express the specific genetic alteration it was developed to detect. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process or transferring that process to

commercial partners or negotiating insurance reimbursement plans, all of which may prevent us from completing our clinical trials or commercializing our products on a timely or profitable basis, if at all.

Companion diagnostics are subject to regulation by FDA and comparable foreign regulatory authorities as medical devices and require separate clearance or approval prior to their commercialization. To date, FDA has required premarket approval of all companion diagnostics for cancer therapies. We and our third-party collaborators may encounter difficulties in developing and obtaining approval for these companion diagnostics. Any delay or failure by us or third- party collaborators to develop or obtain regulatory approval of a companion diagnostic could delay or prevent approval of our related product candidates.

Failure by us or our third-party collaborators to successfully commercialize companion diagnostics developed for use with our product candidates could harm our ability to commercialize these product candidates.

Even if we or our companion diagnostic collaborators successfully obtain regulatory approval for the companion diagnostics for our product candidates, our collaborators:

- may not perform their obligations as expected;
- may not pursue commercialization of companion diagnostics for our therapeutic product candidates that achieve regulatory approval;
- may elect not to continue or renew commercialization programs based on changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- may not commit sufficient resources to the marketing and distribution of such product or products; and
- may terminate their relationship with us.

Additionally, we or our collaborators may encounter production difficulties that could constrain the supply of the companion diagnostics, affect the ease of use, affect the price or have difficulties gaining acceptance of the use of the companion diagnostics in the clinical community.

If companion diagnostics for use with our product candidates fail to gain market acceptance, our ability to derive revenues from sales of our product candidates could be harmed. If we or our collaborators fail to commercialize these companion diagnostics, we may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with our product candidates or do so on commercially reasonable terms, which could adversely affect and delay the development or commercialization of our product candidates.

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

If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired.

Our product candidates must be approved by FDA pursuant to a new drug application, or NDA, in the United States and by the European Medicines Agency, or EMA, and similar regulatory authorities outside the United States prior to commercialization. The process of obtaining marketing approvals, both in the United States and abroad, is expensive and takes many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate. We have not received approval to market any of our product candidates from regulatory authorities in any jurisdiction. We have no experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs to assist us in this process. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. Our product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Changes in marketing approval policies during the

development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may also cause delays in or prevent the approval of an application.

If we experience delays in obtaining approval or if we fail to obtain approval of our product candidates, the commercial prospects for our product candidates may be harmed and our ability to generate revenues will be materially impaired.

We may not be able to benefit from available regulatory exclusivity periods if another company obtains regulatory approval for tipifarnib before we do.

As the composition of matter patents covering tipifarnib expire in 2016 in the United States and in countries in Europe, our commercial strategy for tipifarnib relies on obtaining patents covering methods of use of tipifarnib and on non-patent regulatory exclusivity. In the United States, a pharmaceutical manufacturer may obtain five years of non-patent exclusivity upon FDA approval of an NDA for a new chemical entity, or NCE, which is a drug that contains an active moiety that has not been approved by the FDA in any other NDA. An "active moiety" is defined as the molecule or ion responsible for the drug substance's physiological or pharmacologic action. During the five year exclusivity period, the FDA cannot accept for filing any ANDA seeking approval of a generic version of that drug or any Section 505(b)(2) NDA for the same active moiety and that relies on the FDA's findings regarding that drug, except that the FDA may accept an application for filing after four years if the follow-on applicant makes a paragraph IV certification. EB Pharma has licensed rights from Janssen to develop tipifarnib in certain indications outside of our exclusive field of oncology and Janssen may license rights to other non-oncology indications to other third parties. If EB Pharma or another third party obtains regulatory approval for tipifarnib in a non-oncology indication before we obtain regulatory approval in one of our oncology indications, the five year exclusivity period would commence on the date upon which EB Pharma or another third party obtains regulatory approval, and as a result, the period of regulatory exclusivity to which we may be entitled may be reduced or eliminated and the commercial prospects for tipifarnib would be harmed as a result.

Additionally, if EB Pharma or another third party obtains approval of tipifarnib for another indication outside of oncology, EB Pharma or the other third party may sell tipifarnib at a lower price, which could adversely affect the price at which we could sell tipifarnib for oncology indications.

We may not be able to obtain orphan drug exclusivity for the product candidates for which we seek it, which could limit the potential profitability of such product candidates.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals in the United States. Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it receives the designation, then the product is entitled to a period of marketing exclusivity that precludes the applicable regulatory authority from approving another marketing application for the same drug for the same indication during the exclusivity period. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan Drug Exclusivity may be lost if FDA or EMA determines that the request for designation was materially defective, if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

We expect that we may in the future pursue an orphan drug designation for at least some of our product candidates, including tipifarnib. However, obtaining an orphan drug designation can be difficult, and we may not be successful in doing so for any of our product candidates. Even if we were to obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product from the competition of different drugs for the same condition, which could be approved during the exclusivity period. Additionally, after an orphan drug is approved, the FDA could subsequently approve another application for the same drug for the same condition if the FDA concludes that the later drug is shown to be safer, more effective or makes a major contribution to patient care. The failure to obtain an orphan drug designation for any drug candidates we may develop for the treatment of rare cancers, and/or the inability to maintain that designation for the duration of the applicable exclusivity period, could reduce our ability to make sufficient sales of the applicable drug candidate to balance our expenses incurred to develop it, which would have a negative impact on our operational results and financial condition.

If we obtain an orphan drug designation and FDA approval of tipifarnib for an oncology indication, we would be entitled to seven years of marketing exclusivity for that orphan drug indication. However, if a competitor obtained approval of a generic form of tipifarnib for another indication, physicians would not be prevented from prescribing the generic drug for the orphan indication during the period of marketing exclusivity. Such prescribing practices could adversely affect the sales of tipifarnib for the orphan indication.

A Fast Track Designation by FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process and does not increase the likelihood that our product candidates will receive marketing approval.

We do not currently have Fast Track Designation for any of our product candidates but intend to seek such designation. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for this condition, the drug sponsor may apply for FDA Fast Track Designation. FDA has broad discretion whether or not to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure you that 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. FDA may withdraw Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program. Many drugs that have received Fast Track Designation have failed to obtain drug approval.

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

We do not currently have Breakthrough Therapy Designation for any of our product candidates, but we may seek such designation. A Breakthrough Therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as Breakthrough Therapies, interaction and communication between FDA and the sponsor can help to identify the most efficient path for development.

Designation as a Breakthrough Therapy is within the discretion of FDA. Accordingly, even if we believe, after completing early clinical trials, that one of our product candidates meets the criteria for designation as a Breakthrough Therapy, 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 drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by FDA. In addition, even if one or more of our product candidates qualify as Breakthrough Therapies, FDA may later decide that such product candidates no longer meet the conditions for qualification and rescind such designations.

Failure to obtain marketing approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell our products in the European Union and many other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or our third-party collaborators may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

Any product candidate for which we obtain marketing approval will be subject to extensive post-marketing regulatory requirements and could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Our product candidates and the activities associated with their development and commercialization, including their testing, manufacture, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, current good manufacturing practices, or cGMP, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, including periodic inspections by FDA and other regulatory authority, requirements regarding the distribution of samples to physicians and recordkeeping.

FDA may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product. FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. FDA imposes stringent restrictions on manufacturers' communications regarding use of their products and if we promote our products beyond their approved indications, we may be subject to enforcement action for off-label promotion. Violations of the Federal Food, Drug, and Cosmetic Act relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance with European Union requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties. Similarly, failure to comply with the European Union's requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

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

Healthcare providers, physicians and third-party payors will 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 any products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute 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, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;
- the federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or*qui tam* actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its

implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- federal law requires applicable manufacturers of covered drugs to report payments and other transfers of value to physicians and teaching hospitals, which includes data collection and reporting obligations; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

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 and may require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion of products from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Recently enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and affect the prices we may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the MMA only applies to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively the ACA, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the ACA of importance to our potential product candidates are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- expansion of healthcare fraud and abuse laws, including the False Claims Act and the Anti-Kickback Statute, new government investigative powers, and enhanced penalties for noncompliance;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices;
- extension of manufacturers' Medicaid rebate liability;

- expansion of eligibility criteria for Medicaid programs;
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program;
- new requirements to report financial arrangements with physicians and teaching hospitals;
- a new requirement to annually report drug samples that manufacturers and distributors provide to physicians; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

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

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

Governments outside the United States tend to impose strict price controls, which may adversely affect our revenues, if any.

In some countries, particularly the countries of the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. If reimbursement for our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be harmed, possibly materially.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could harm our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our discovery, preclinical development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Risks Related to Our Dependence on Third Parties

We expect to rely on third-party contractors and organizations to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We will rely on third party contractors, clinical data management organizations, independent contractors, medical institutions and clinical investigators to support our pre-clinical development activities and conduct our clinical trials, including our Phase 2 clinical trials of tipifarnib. These agreements may terminate for a variety of reasons, including a failure to perform by the third parties. If we are required to enter into alternative arrangements, our product development activities would be delayed.

We compete with many other companies, some of which may be our competitors, for the resources of these third parties. Large pharmaceutical companies often have significantly more extensive agreements and relationships with such third-party providers, and such third-party providers may prioritize the requirements of such large pharmaceutical companies over ours. The third parties on whom we rely may terminate their engagements with us at any time, which may cause delay in the development and commercialization of our product candidates. If any such third party terminates its engagement with us or fails to perform as agreed, we may be required to enter into alternative arrangements, which would result in significant cost and delay to our product development program. Moreover, our agreements with such third parties generally do not provide assurances regarding employee turnover and availability, which may cause interruptions in the research on our product candidates by such third parties.

Our reliance on these third parties to conduct our clinical trials will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, FDA and other regulatory authorities require us to comply with standards, commonly referred to as good clinical practices, or GCPs, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. We are also required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Additionally, we expect to rely substantially on third-party data managers for our clinical trial data. There is no assurance that these third parties will not make errors in the design, management or retention of our data or data systems. There is no assurance that these third parties will pass FDA or other regulatory audits, which could delay or prevent regulatory approval.

If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates.

We will depend on third parties for the manufacture of our product candidates for preclinical and clinical testing and expect to continue to do so for commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products at an acceptable cost and quality, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate facilities for the manufacture of our product candidates, and we do not have any manufacturing personnel. We currently have no plans to build our own clinical or commercial scale manufacturing capabilities. Janssen has provided us with its existing inventory of clinical supply of tipifarnib. Janssen also provided us with its existing inventory of crude drug substance and bulk key intermediate for manufacture of drug substance for tipifarnib. A portion of the clinical supply of tablets of tipifarnib provided by Janssen have a non-uniform surface where the film coating on the tablets has worn away to a varying degree. We believe this surface erosion is a cosmetic defect only and has no impact on patient safety or the effectiveness of the tablets, and an insignificant impact on taste masking, and that this clinical supply will support our planned Phase 2 clinical trials for tipifarnib. However there is no guarantee that clinical trial participants will accept all the tablets and that our existing clinical supply will be sufficient for our planned Phase 2 clinical trials or for any unanticipated extension of our planned Phase 2 clinical trials. If we are required to manufacture additional clinical supplies our planned Phase 2 clinical trials may be delayed. We rely, and expect to continue to rely, on third parties, for the manufacture of our other product candidates for preclinical and clinical testing. We will rely on third parties as well for commercial manufacture if any of our product candidates receive marketing approval. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products or such quantities at an acceptable cost or quality, which could delay, prevent or impair our development or commercialization efforts. We also expect to rely on other third parties to store and distribute drug supplies for our clinical trials.

We also expect to rely on third-party manufacturers or third-party collaborators for the manufacture of commercial supply of any other product candidates for which our collaborators or we obtain marketing approval.

Any performance failure on the part of our existing or future manufacturers or distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenue.

We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us.

Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products.

Our product candidates and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or products may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis.

Risks Related to the Commercialization of Our Product Candidates

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

If any of our product candidates receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and doctors may continue to rely on these treatments to the exclusion of our product candidates. In addition, physicians, patients and third-party payors may prefer other novel products to ours. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety and potential advantages and disadvantages compared to alternative treatments;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of our marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement, including patient cost-sharing programs such as copays and deductibles;
- our ability to develop or partner with third-party collaborators to develop companion diagnostics;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

We currently have no marketing and sales force. If we are unable to establish effective sales or marketing capabilities or enter into agreements with third parties to sell or market our product candidates, we may not be able to effectively sell or market our product candidates, if approved, or generate product revenues.

We currently do not have a marketing or sales team for the marketing, sales and distribution of any of our product candidates that are able to obtain regulatory approval. In order to commercialize any product candidates, we must build on a territory-by-territory basis marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If our product candidates receive regulatory approval, we intend to establish an internal sales or marketing team with technical expertise and supporting distribution capabilities to commercialize our product candidates, which will be expensive and time consuming and will require significant attention of our executive officers to manage. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of any of our products that we obtain approval to market. With respect to the commercialization of all or certain of our product candidates, we may choose to collaborate, either globally or on a territory-by-territory basis, with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements when needed on acceptable terms or at all, we may not be able to successfully commercialize any of our product candidates that receive regulatory approval or any such commercialization may experience delays or limitations. If we are not successful in commercializing our product candidates, either on our own or through collaborations with one or more third parties, our future product revenue will suffer and we may incur significant additional losses.

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

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidates, and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our product candidates. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Specifically, there are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies, which may directly compete with tipifarnib, KO-947 and any future product candidates. See “Description of the Business of Kura Oncology, Inc.—Competition.”

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market and or slow our regulatory approval. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic products. Generic products are currently on the market for the indications that we are pursuing, and additional products are expected to become available on a generic basis over the coming years. If our product candidates achieve marketing approval, we expect that they will be priced at a significant premium over competitive generic products.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for new or current products could limit our ability to market those products and decrease our ability to generate revenue.

The availability and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford expensive treatments. Sales of our product candidates will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize a sufficient return on our investment.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement for new medicines are typically made by the Centers for Medicare & Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, as CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare. Private payors tend to follow CMS to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products. Reimbursement agencies in Europe may be more conservative than CMS. For example, a number of cancer drugs have been approved for reimbursement in the United States and have not been approved for reimbursement in certain European countries. Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada, and other countries has and will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. In general, the prices of medicines under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for medicines, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenues and profits.

Moreover, increasing efforts by governmental and third-party payors, in the United States and abroad, to cap or reduce healthcare costs may cause such organizations to limit both coverage and level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates, due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products into the healthcare market.

In addition to CMS and private payors, professional organizations such as the National Comprehensive Cancer Network and the American Society of Clinical Oncology can influence decisions about reimbursement for new medicines by determining standards for care. In addition, many private payors contract with commercial vendors who sell software that provide guidelines that attempt to limit utilization of, and therefore reimbursement for, certain products deemed to provide limited benefit to existing alternatives. Such organizations may set guidelines that limit reimbursement or utilization of our products.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and

- the inability to commercialize any products that we may develop.

Our current product liability insurance coverage may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain intellectual property protection for our technology and products, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be impaired.

We intend to rely upon a combination of regulatory exclusivity periods, patents, trade secret protection, confidentiality agreements, and license agreements to protect the intellectual property related to our current product candidates and development programs. If the breadth or strength of protection provided by any patents, patent applications or future patents we may own, license, or pursue with respect to any of our current or future product candidates or products is threatened, it could threaten our ability to commercialize any of our current or future product candidates or products. Further, if we encounter delays in our development efforts, the period of time during which we could market any of our current or future product candidates or products under any patent protection we obtain would be reduced. Given the amount of time required for the development, testing and regulatory review of new product candidates or products, patents protecting such candidates might expire before or shortly after such product candidates or products are commercialized.

Our patent rights may not protect our patent protected products and product candidates if competitors devise ways of making products that compete with us without legally infringing our patent rights. For example, our patent rights in tipifarnib are limited in ways that affect our ability to exclude third parties from competing against us. In particular, the patent term for the composition of matter patents covering the active pharmaceutical ingredient, or API, of tipifarnib expire in 2016 in the United States, countries in Europe and other jurisdictions. Composition of matter patents on APIs are generally considered to be the strongest form of intellectual property protection because such patents provide protection without regard to any particular method of use or manufacture or formulation of the API used. Patent term extension may be available in the US to account for regulatory delays in obtaining human marketing approval for tipifarnib however, only one patent may be extended per marketed compound. Under our license agreement with Janssen, we and Janssen agree to cooperate in obtaining available patent term extensions. We and Janssen may not reach agreement and no patent term extension may be obtained. Additionally, the applicable authorities, including the USPTO and the FDA, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to patents, or may grant more limited extensions than requested. If this occurs, our competitors who obtain the requisite regulatory approval can offer products with the same API as tipifarnib so long as the competitors do not infringe any method of use or formulations patents that we may hold. Competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

We expect that following expiration of composition of matter patents and any regulatory exclusivity we are able to obtain, competitors may manufacture and sell generic versions of tipifarnib, at a lower price, which would reduce tipifarnib’s revenues. In certain jurisdictions, legislation mandates generic substitution for brand name drugs.

We depend on our licensors to prosecute and maintain patents and patent applications that are material to our business. Any failure by our licensors to effectively protect these intellectual property rights could adversely impact our business and operations.

We have licensed patent rights from third parties for some of our development programs, including tipifarnib from Janssen and compounds in our Menin-MLL program from the University of Michigan. As a licensee of third parties, we rely on these third parties to file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under some of our license agreements. We have not had and do not have primary control over these activities for certain of our patents or patent applications and other intellectual property rights. We cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and even if we are permitted to pursue such enforcement or defense, we will require the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party

to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business.

With respect to the patent portfolio for tipifarnib, which is in-licensed from Janssen, Janssen maintains rights to prosecute and maintain patents and patent applications within the portfolio as well as to assert such patents against infringers within and outside the scope of our license, and to defend such patents against claims of invalidity and unenforceability. Although we have rights to consult with Janssen on actions taken as well as back-up rights of prosecution and enforcement, rights to tipifarnib granted to another licensee, such as EB Pharma, could potentially influence Janssen's interests in the exercise of its prosecution, maintenance and enforcement rights in a manner that may favor the interests of such other licensee as compared with us.

If we breach any of the agreements under which we license from third parties the commercialization rights to our product candidates, we could lose license rights that are important to our business and our operations could be materially harmed.

We have in-licensed from Janssen the use, development and commercialization rights in oncology indications for our lead product candidate, tipifarnib. We have also in-licensed rights to potential product candidates in other programs in our pipeline. As a result, our current business plans are dependent upon our satisfaction of certain conditions to the maintenance of the Janssen agreement and the rights we license under it and our other in-license agreements. The Janssen license agreement provides that we are subject to diligence obligations relating to the commercialization and development of tipifarnib, milestone payments, royalty payments and other obligations. If we fail to comply with any of the conditions or obligations or otherwise breach the terms of our license agreement with Janssen, or any of our other license agreements or license agreements we may enter into on which our business or product candidates are dependent, Janssen or other licensors may have the right to terminate the applicable agreement in whole or in part and thereby extinguish our rights to the licensed technology and intellectual property and/or any rights we have acquired to develop and commercialize certain product candidates, including, with respect to our license agreement with Janssen, tipifarnib. The loss of the rights licensed to us under our license agreement with Janssen, or our other license agreements or any future license agreement that we may enter granting us rights on which our business or product candidates are dependent, would eliminate our ability to further develop the applicable product candidates and would materially harm our business, prospects, financial condition and results of operations.

The patent applications of pharmaceutical and biotechnology companies involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. For example, India and China do not allow patents for methods of treating the human body. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

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

Moreover, we may be subject to a third-party preissuance submission of prior art to the U.S. PTO, or become involved in opposition, derivation, reexamination, inter partes review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the

scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

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

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

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

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the U.S. PTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees due to non-U.S. patent agencies. The U.S. PTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

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

Because competition in our industry is intense, competitors may infringe or otherwise violate our issued patents, patents of our licensors or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could be significant. 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.

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

Our commercial success depends upon our ability, and the ability of our collaborators, to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference or derivation proceedings before the U.S. PTO. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future.

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

We may not be successful in obtaining or maintaining necessary rights for our development pipeline through acquisitions and in-licenses.

Presently we have rights to intellectual property to develop tipifarnib in the field of oncology, including patents and patent applications we exclusively licensed from Janssen, as well as exclusive worldwide licenses for all therapeutic indications for other potential product candidates currently in our pipeline, including in our Menin-MLL program. Because our programs may involve additional product candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. Additionally, a companion diagnostic may require that we or a third-party collaborator developing the diagnostic acquire use or proprietary rights held by third parties. We may be unable to acquire or in-license any compositions, methods of use, or other third-party intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

For example, we may collaborate with U.S. and foreign academic institutions to accelerate our discovery and preclinical development work under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such right of first negotiation for intellectual property, we may be unable to negotiate a license within the specified time frame or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our program.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment. If we are unable to successfully obtain rights to required third-party intellectual property rights, our business, financial condition and prospects for growth could suffer.

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

In addition to seeking patents for some of our technology and product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We seek to protect our confidential proprietary information, in part, by entering into confidentiality and invention or patent assignment agreements with our employees and consultants, however, we cannot be certain that such agreements have been entered into with all relevant parties. Moreover, to the extent we enter into such agreements, 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 inside and outside the United States 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, or those to whom they communicate it, 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.

Risks Related to Employee Matters, Managing Growth and Macroeconomic Conditions

We currently have a limited number of employees, are highly dependent on our Chief Executive Officer and our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are an early-stage clinical development company with a limited operating history, and, as of the date of this report, we have only 15 employees. We are highly dependent on the expertise of Troy E. Wilson, our President and Chief Executive Officer, Antonio Gualberto, our Chief Medical Officer, Yi Liu, our Chief Scientific Officer, and Pindga Ren, our Senior Vice President, Chemistry and Pharmaceutical Sciences, as well as the other principal members of our management, scientific and clinical team. Although we have entered into employment letter agreements with our executive officers, each of them may terminate their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. Additionally, Dr. Wilson currently also serves as President and Chief Executive Officer of Avidity Nanomedicines, LLC. As a result, Dr. Wilson is not able to devote all of his business time and attention to our business. Conflicts may arise in the future if there are competing demands on Dr. Wilson's time and attention and our business may be harmed as a result.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery and preclinical development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to expand our development and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of regulatory affairs and commercial, if any of our product candidates receives marketing approval, sales, marketing and distribution. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

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

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

Our business and operations would suffer in the event of system failures.

Despite the implementation of security measures, our internal computer systems and those of our CROs, collaborators and third-parties on whom we rely are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we have not experienced any such system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and we may incur substantial costs to attempt to recover or reproduce the data. If any disruption or security breach resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and/or the further development of our product candidates could be delayed.

Our operations are vulnerable to interruption by natural disasters, power loss, terrorist activity and other events beyond our control, the occurrence of which could materially harm our business.

Businesses located in California have, in the past, been subject to electrical blackouts as a result of a shortage of available electrical power, and any future blackouts could disrupt our operations. We are vulnerable to a major earthquake, wildfire and other natural disasters, and we have not undertaken a systematic analysis of the potential consequences to our business as a result of any such natural disaster and do not have an applicable recovery plan in place. We do not carry any business interruption insurance that would compensate us for actual losses from interruption of our business that may occur, and any losses or damages incurred by us could cause our business to materially suffer.

Risks Related to Ownership of our Common Stock

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

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

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

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

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

If a market for our common stock develops, its market price could fluctuate substantially due to a variety of factors, some of which may be beyond our control. In addition to the factors discussed in this “Risk Factors” section and elsewhere in this Current Report on Form 8-K, these factors include:

- the product candidates we seek to pursue, and our ability to obtain rights to develop, commercialize and market those product candidates;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- actual or anticipated adverse results or delays in our clinical trials;
- our failure to commercialize our product candidates, if approved;
- unanticipated serious safety concerns related to the use of any of our product candidates;
- adverse regulatory decisions;

- additions or departures of key scientific or management personnel;
- changes in laws or regulations applicable to our product candidates, including without limitation clinical trial requirements for approvals;
- disputes or other developments relating to patents and other proprietary rights and our ability to obtain patent protection for our product candidates;
- our dependence on third parties, including CROs as well as our potential partners that produce companion diagnostic products;
- failure to meet or exceed any financial guidance or expectations regarding development milestones that we may provide to the public;
- actual or anticipated variations in quarterly operating results, liquidity or other indicators of our financial condition;
- failure to meet or exceed the estimates and projections of the investment community;
- overall performance of the equity markets and other factors that may be unrelated to our operating performance or the operating performance of our competitors, including changes in market valuations of similar companies;
- conditions or trends in the biotechnology and biopharmaceutical industries;
- introduction of new products offered by us or our competitors;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our ability to maintain an adequate rate of growth and manage such growth;
- issuances of debt or equity securities;
- sales of our common stock by us or our stockholders in the future, or the perception that such sales could occur;
- trading volume of our common stock;
- ineffectiveness of our internal control over financial reporting or disclosure controls and procedures;
- general political and economic conditions;
- effects of natural or man-made catastrophic events; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and the stocks of small-cap biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. These events may also lead to securities litigation, which can be expensive and time-consuming to defend, regardless of the merit or outcome. The realization of any of the above risks or any of a broad range of other risks, including those described in these “Risk Factors,” could have a dramatic and material adverse impact on the market price of our common stock.

The designation of our common stock as a “penny stock” would limit the liquidity of our common stock.

Our common stock may be deemed a “penny stock” (as that term is defined under Rule 3a51-1 of the Exchange Act) in any market that may develop in the future. Generally, a “penny stock” is a common stock that is not listed on a securities exchange and trades for less than $5.00 per share. Prices often are not available to buyers and sellers and the market may be very limited. Penny stocks in start-up companies are among the riskiest equity investments. Broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. The document provides information about penny stocks and the nature and level of risks involved in investing in the penny stock

market. A broker must also provide purchasers with bid and offer quotations and information regarding broker and salesperson compensation and make a written determination that the penny stock is a suitable investment for the purchaser and obtain the purchaser's written agreement to the purchase. Many brokers choose not to participate in penny stock transactions. Because of the penny stock rules, there may be less trading activity in penny stocks in any market that develops for our common stock in the future and stockholders are likely to have difficulty selling their shares.

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

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

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

None of the shares of common stock that we issued in the Merger, which constitute all of our outstanding shares of common stock as of the date of this Current Report on Form 8-K, have been registered under the Securities Act or registered or qualified under any state securities laws. The shares of common stock that issued in the Merger were issued pursuant to exemptions contained in and under those laws. Accordingly, such shares of common stock are "restricted securities" as defined in Rule 144 under the Securities Act and must, therefore, be held indefinitely unless registered under applicable federal and state securities laws, or an exemption is available from the registration requirements of those laws. The shares in electronic book-entry form representing the shares of common stock issued in the Merger reflect their restricted status.

We have agreed to register the shares of common stock issued in the Merger. There can be no assurance, however, that the SEC will declare the registration statement effective, thereby enabling the shares of common stock issued in the Merger to be freely tradable. In addition, Rule 144 under the Securities Act, which permits the resale, subject to various terms and conditions, of limited amounts of restricted securities after they have been held for six months, will not immediately apply to our common stock because we were at one time designated as a "shell company" under SEC regulations. Pursuant to Rule 144(i), securities issued by a current or former shell company that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the date on which the issuer filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it ceased being a shell company and, provided that at the time of a proposed sale pursuant to Rule 144, the issuer has satisfied certain reporting requirements under the Exchange Act. We believe this requirement to file Form 10 information has been satisfied by the filing of this Current Report on Form 8-K. Because, as a former shell company, the reporting requirements of Rule 144(i) will apply regardless of holding period, the restrictive legends on the shares in electronic book-entry form representing the shares of common stock issued in the Merger cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of the Securities Act.

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

We expect to prepare and file a registration statement with the SEC registering the resale of the shares of our common stock issued in connection with the Merger. There are many reasons, including some over which we have little or no control, which could keep the registration statement from being declared effective by the SEC, including delays resulting from the SEC review process and comments raised by the SEC during that process. Accordingly, in the event that the registration statement is not declared effective within these timeframes, the shares of common stock proposed to be covered by such registration statement will not be eligible for resale until the registration statement is effective or an exemption from registration, such as Rule 144, becomes available. In addition, we have agreed to pay damages to the investors in the Private Placement if we do not satisfy certain deadlines and requirements in connection with the registration statement, as specified in the Registration Rights Agreement.

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

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

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

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

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

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

We will incur increased costs associated with, and our management will need to devote substantial time and effort to, compliance with public company reporting and other requirements.

As a public company, and particularly if and after we cease to be an "emerging growth company" or a "smaller reporting company," we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the rules and regulations of the SEC and any national securities exchange to which we may be subject in the future impose numerous requirements on public companies, including requirements relating to our corporate governance practices, with which we will need to comply. Further, we are required to, among other things, file annual, quarterly and current reports with respect to our business and operating results. Based on currently available information and assumptions, we estimate that we will incur approximately $450,000 in expenses on an annual basis as a direct result of these requirements, and we expect that the amount of such expenses may be increased by an additional $200,000 during our first year operating as a public reporting company. Our management and other personnel will need to devote substantial time to gaining expertise regarding operations as a public company and compliance with applicable laws and regulations, and our efforts and initiatives to comply with those requirements could be expensive.

Kura was not subject to requirements to establish, and did not establish, internal control over financial reporting and disclosure controls and procedures prior to the Merger. Our management team and board of directors will need to devote significant efforts to maintaining adequate and effective disclosure controls and procedures and internal control over financial reporting in order to comply with applicable regulations, which may include hiring additional legal, financial reporting and other finance and accounting staff and engaging consultants to assist in designing and implementing such procedures. Additionally, any of our efforts to improve our internal controls and design, implement and maintain an adequate system of disclosure controls may not be successful and will require that we expend significant cash and other resources.

If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and investors' views of us.

We will be required to comply with Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls and attestations of the effectiveness of internal controls by independent auditors. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Our failure to maintain the effectiveness of our internal controls in accordance with the requirements of the Sarbanes-Oxley Act could have a material adverse effect on our business. We could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on the price of our common stock. In addition, if our efforts to comply with new or changed laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We are an emerging growth company and a smaller reporting company, which will allow us to take advantage of certain reduced disclosure obligations as a public reporting company that may make our common stock less attractive to investors.

We are an "emerging growth company" under the JOBS Act and a "smaller reporting company" as defined in applicable rules under the Exchange Act. As an emerging growth company and a smaller reporting company, we are eligible to take advantage of certain extended accounting standards and exemptions from various reporting requirements that are not available to public reporting companies that do not qualify for those classifications. For instance, are exempt from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and financial statements, commonly known as an "auditor discussion and analysis;" we are not required to hold a nonbinding advisory stockholder vote on executive compensation or any golden parachute payments not previously approved by stockholders; we are not required to comply with the requirement of auditor attestation of management's assessment of internal control over financial reporting, which is required for some other public reporting companies by Section 404 of the Sarbanes-Oxley Act of 2002; we are eligible for reduced disclosure obligations regarding executive compensation in our periodic and annual reports; and we are eligible for reduced financial statement disclosure in any registration statements under the Securities Act or reports under the Exchange Act that we may file. For as long as we continue to be an emerging growth company and/or a smaller reporting company, which we anticipate will be for the foreseeable future, we expect that we will take advantage of the reduced disclosure obligations available to us as a result of those respective classifications. As a result, our publicly available disclosure may not be as robust or comprehensive as that of other public reporting companies that do not qualify for those classifications.

Further, as an emerging growth company, we can elect to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to take advantage of this extended transition period and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

We are not subject to compliance with rules requiring the adoption of certain corporate governance measures and as a result our stockholders have limited protections against interested director transactions, conflicts of interest and similar matters.

The Sarbanes-Oxley Act of 2002, as well as rule changes enacted by the SEC, the New York and American Stock Exchanges and the NASDAQ Stock Market, as a result of Sarbanes-Oxley, require the implementation of various measures relating to corporate governance. These measures are designed to enhance the integrity of corporate management and the securities markets and apply to securities that are listed on those exchanges or the NASDAQ Stock Market. Because we are not presently required to comply with many of the corporate governance provisions we have not yet adopted these measures.

We do not currently have independent audit or compensation committees. As a result, our directors have the ability, among other things, to determine their own level of compensation. Until we comply with such corporate governance measures, regardless of whether such compliance is required, the absence of such standards of corporate governance may leave our stockholders without protections against interested director transactions, conflicts of interest and similar matters.

We have broad discretion in the use of our cash and may not use our cash effectively, which could adversely affect our results of operations.

Our management has broad discretion in the application of our cash resources. Because of the number and variability of factors that will determine our use of our cash resources, our management might not apply our cash in ways that ultimately increase the value of our common stock. The failure by our management to apply our cash effectively could harm our business. Pending their use, we may invest our cash in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders. If we do not invest or apply our cash in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

Management and our board of directors beneficially own a substantial amount of our outstanding equity securities and will be able to exert substantial control over us.

Our executive officers and directors beneficially own a substantial percentage of our outstanding equity securities. Accordingly, if they act as a group, our executive officers and directors will be able to significantly influence all business decisions, including with respect to such matters as amendments to our charter, other fundamental corporate transactions such as mergers, asset sales and the sale of us, and otherwise will be able to significantly influence our business and affairs.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans or otherwise, could result in dilution to the percentage ownership of our stockholders and could cause our stock price to fall.

Even after giving effect to the funds raised by Kura in the Private Placement, we expect that significant additional capital will be needed in the future to continue our planned operations. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors in a prior transaction may be materially diluted by subsequent sales. Additionally, any such sales may result in material dilution to our existing stockholders, and new investors could gain rights, preferences and privileges senior to those of holders of our common stock. Further, any future sales of our common stock by us or resales of our common stock by our existing stockholders could cause the market price of our common stock to decline.

Pursuant to our 2014 plan, we are authorized to grant equity awards consisting of shares of our common stock to our employees, directors and consultants. Any future grants of options, warrants or other securities exercisable or convertible into our common stock, or the exercise or conversion of such shares, and any sales of such shares in the market, could have an adverse effect on the market price of our common stock.

We do not intend to pay cash dividends on our capital stock in the foreseeable future.

We have never declared or paid any dividends on our common stock and do not anticipate paying any dividends in the foreseeable future. Any future payment of cash dividends in the future would depend on our financial condition, contractual restrictions, solvency tests imposed by applicable corporate laws, results of operations, anticipated cash requirements and other factors and will be at the discretion of the our board of directors. Our stockholders should not expect that we will ever pay cash or other dividends on our outstanding capital stock.

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

The following discussion of the financial condition and results of operations of Kura Oncology, Inc. and its wholly-owned subsidiary should be read in conjunction with the financial statements and the notes to those statements filed as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should read the "Risk Factors" section of this report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Effective as of March 6, 2015, we consummated the Merger and changed our name from "Zeta Acquisition Corp. III" to "Kura Oncology, Inc."

We are a clinical stage biopharmaceutical company discovering and developing personalized therapeutics for the treatment of solid tumors and blood cancers. We focus on the development of small molecule drug candidates that target cell signaling pathways that are important to driving the progression of certain cancers. We aim to employ molecular diagnostics to identify patients with cancers who are likely to benefit from our targeted drug candidates.

Our lead drug candidate, tipifarnib, is a farnesyl transferase inhibitor that we intend to evaluate in Phase 2 clinical studies as a treatment for certain solid tumors, including thyroid, head and neck, urothelial, and salivary cancers, with mutations in the HRAS oncogene. Collectively, the annual incidence of these cancers containing HRAS mutations is approximately 8,000 patients per year in the United States, and, in general, patients with these cancers have poor prognoses and limited options for treatment. We are also evaluating tipifarnib as a potential treatment for patients with peripheral T-cell lymphoma, which has an annual incidence of approximately 7,000-10,000 patients in the United States.

We are advancing a set of compounds that inhibit the activity of extracellular-signal-regulated kinases 1 and 2 (ERK1/2), including our lead candidate KO-947 as well as backup compounds, as a potential treatment for patients with tumors that have mutations in or other dysregulation of the mitogen-activated protein kinase (MAPK) signaling pathway, including mutations in the proteins KRAS, BRAF and NRAS. The cancer indications that frequently harbor mutations in the MAPK pathway include lung cancer, colorectal cancer, pancreatic cancer, and melanoma. According to the American Cancer Society, there are estimated to be over 43,000 cases of pancreatic cancer, 125,000 cases of colorectal cancer and over 188,000 cases of non-small cell lung cancer, or NSCLC, diagnosed each year in the United States. We believe this corresponds to approximately 42,000 cases of KRAS mutant pancreatic cancer, 55,000 cases of KRAS mutant CRC, and 58,000 cases of KRAS mutant NSCLC each year in the United States. According to the American Cancer Society, the annual incidence of melanoma patients is estimated at 75,000 patients in the United States, with approximately 40%-60% of those patients having BRAF mutations and an additional 15-20% of those patients having NRAS mutations.

We are also advancing a set of orally available, small molecule compounds that inhibit the interaction between the proteins menin and MLL for the treatment of MLL-r and MLL-PTD, two genetically-defined subsets of acute leukemias that affect both adults and children. The annual incidence of MLL-r and MLL-PTD patients is estimated to be 3,200 patients in the United States, and those patients currently have limited options other than chemotherapy.

Kura has incurred net losses since its inception on August 22, 2014. Kura's net loss and accumulated deficit was $3.7 million for the year ended December 31, 2014. Substantially all of Kura's net losses resulted from costs incurred in connection with its research and development programs and from general and administrative costs associated with its operations. Kura was founded in August 2014 by the former co-founders and executive team of Intellikine, Inc., a company that discovered and advanced into human clinical testing three drug candidates against molecular targets on the phosphoinositide-3 kinase (PI3K) pathway and that was acquired in January 2012 by Takeda America Holdings, Inc.

We expect to continue to incur significant expenses and increasing operating losses for at least the next several years as we continue the clinical development of, and seek regulatory approval for our product candidates. Our net losses may fluctuate significantly from quarter to quarter and year to year. We will need to raise capital for the further development of our existing product candidates and we may also need to raise additional funds sooner than expected to pursue other development activities related to our other pipeline programs. As of December 31, 2014, we had a cash balance of $1.1 million. We may seek to obtain additional financing in the future through the issuance of our common stock, through other equity or debt financings or through collaborations or partnerships with other companies. We may not be able to raise additional capital on terms acceptable to us, or at all, and any failure to raise capital as and when needed could compromise our ability to execute on our business plan.

Recent Developments

Private Placement

Prior to the Merger, Kura sold to accredited investors approximately $60.0 million of its shares of common stock, or 18,971,136 shares, at a price of $3.16 per share, which included approximately $7.5 million in principal and $0.1 million in accrued interest from the conversion of Kura's then outstanding convertible promissory notes. Also, Kura granted the investors in the Private Placement registration rights requiring Kura or any successor to register those shares of Kura common stock (which were exchanged for shares of our common stock, along with the rest of the outstanding shares of Kura capital stock, except for dissenting shares, at the Effective Time) for public resale, as described in more detail below. The then existing stockholders of Kura who agreed to become parties to the registration rights agreement also became entitled to such registration rights, subject to specified differences in the agreement between the rights of new investors and existing stockholders. The

Private Placement closed immediately prior to the filing of a Certificate of Merger with the Secretary of State of the State of Delaware, on March 6, 2015.

Reverse Merger

On March 6, 2015, pursuant to the Merger Agreement, Merger Sub merged with and into Kura, with Kura remaining as the surviving entity and a wholly-owned operating subsidiary of the Company. The Merger was effective as of March 6, 2015, upon the filing of a Certificate of Merger with the Secretary of State of the State of Delaware. As part of the Merger, Kura changed its name to Merger Sub.

At the Effective Time, the legal existence of Merger Sub ceased and each share of Kura common stock that was issued and outstanding immediately prior to the Effective Time was automatically exchanged for 0.5 shares of our common stock. We issued an aggregate of 14,508,177 shares of our common stock upon such exchange of the outstanding shares of Kura common stock. In addition, at the Effective Time, we assumed Kura's 2014 Equity Incentive Plan and concurrently approved the amendment and restatement of the Kura 2014 Equity Incentive Plan pursuant to our 2014 plan, effective upon the date that is 20 days after the mailing of a definitive Schedule 14C information statement to our pre-Merger stockholders. As of the Effective Time, there were no outstanding options to purchase shares of Kura common stock under the Kura 2014 Equity Incentive Plan.

Immediately following the Effective Time, pursuant to the terms of the Redemption Agreement, we completed the closing of a redemption of 5,000,000 shares of our common stock from our then-current stockholders in consideration of $70,000, plus professional costs related to the transaction, not to exceed $30,000. The 5,000,000 shares constituted all of the issued and outstanding shares of our capital stock, on a fully-diluted basis, immediately prior to the Merger.

Kura is considered the accounting acquirer in the Merger and will account for the transaction as a capital transaction because Kura's former stockholders received 100% of the voting rights in the combined entity and Kura's senior management represents all of the senior management of the combined entity.

Financial Overview of Kura

Research and Development Expenses

Since its inception, Kura has focused on the research and development of its product programs. Kura's research and development expenses consist primarily of:

- salaries and related expenses for personnel;
- license costs associated with our compounds;
- expenses related to preclinical studies and chemistry;
- other consulting fees paid to third parties; and
- travel, facilities, depreciation, insurance and other expenses.

Research and development expenses are expensed as they are incurred. As of December 31, 2014, Kura had incurred an aggregate of approximately $2.7 million in research and development expenses related to the in-licensing and development of its product candidates and pipeline programs. To date, its tipifarnib program represents the largest portion of its research and development expense.

We cannot determine with certainty the timing of initiation, the duration or the completion costs of current or future preclinical studies and clinical trials of our product candidates. At this time, due to the inherently unpredictable nature of preclinical and clinical development, we are unable to estimate with any certainty the costs we will incur and the timelines we will require in the continued development of our product candidates and our other pipeline programs. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. Our future research and development expenses will depend on the preclinical and clinical success of each product candidate that we develop, as well as ongoing assessments of the commercial potential of such product candidates. 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.

Completion of clinical trials may take several years or more, and the length of time generally varies according to the type, complexity, novelty and intended use of a product candidate. The cost of clinical trials may vary significantly over the life of a project as a result of differences arising during clinical development, including, among others:

- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of doses that patients receive;
- the number of patients that participate in the trials;
- the drop-out or discontinuation rates of patients;
- the duration of patient follow-up;
- potential additional safety monitoring or other studies requested by regulatory agencies;
- the number and complexity of analyses and tests performed during the trial;
- the phase of development of the product candidate; and
- the efficacy and safety profile of the product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and benefits for employees in executive, finance, business development and support functions. Other significant general and administrative expenses include the costs associated with obtaining and maintaining Kura's patent portfolio, professional fees for accounting, auditing, consulting and legal services, travel and allocated facilities.

We expect that our general and administrative expenses will increase in the future as we expand our operating activities, maintain and expand our patent portfolio.

Other Income (Expense)

Other income (expense) consists primarily of management fee income and non-cash interest expense. Management fee income is earned in accordance with the management services agreement with Kura's affiliated company Araxes. Interest expense consists of interest accrued on its convertible notes.

Income Taxes

Kura has incurred net losses and has not recorded any U.S. federal or state income tax benefits for the losses as they have been offset by valuation allowances.

Critical Accounting Policies and Significant Judgments and Estimates of Kura

Management's discussion and analysis of Kura's financial condition and results of operations are based on its financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires it to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses and the disclosure of contingent assets and liabilities in its financial statements. On an ongoing basis, Kura evaluates its estimates and judgments, including those related to accrued expenses and stock-based compensation. Kura bases its estimates on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While Kura's significant accounting policies are described in more detail in the notes to its financial statements appearing elsewhere in this Current Report on Form 8-K, Kura believes the following accounting policies are the most critical to the judgments and estimates used in the preparation of its financial statements.

Convertible Notes and Derivative Accounting

At inception, Kura performs an assessment of all embedded features of a debt instrument to determine if 1) such features should be bifurcated and separately accounted for, and, 2) if bifurcation requirements are met, whether such features should be classified and accounted for as equity or liability. The fair value of the embedded feature is measured initially, included as a liability on the balance sheet, and remeasured each reporting period. Any changes in fair value are recorded in the statement of operations. Kura monitors, on an ongoing basis, whether events or circumstances could give rise to a change in its classification of embedded features.

Kura accounts for its convertible notes, that may be settled in cash upon conversion (including partial cash settlement), by separating the liability and equity components of the instruments in a manner that reflects its nonconvertible debt borrowing rate. Kura determines the carrying amount of the liability component by measuring the fair value of similar debt instruments that do not have the conversion feature. If a similar debt instrument does not exist, Kura estimates the fair value by using assumptions that market participants would use in pricing a debt instrument, including market interest rates, credit standing, yield curves and volatilities. Determining the fair value of the debt component requires the use of accounting estimates and assumptions. These estimates and assumptions are judgmental in nature and could have a significant impact on the determination of the debt component and the associated non-cash interest expense.

Kura assigns a value to the debt component of its convertible notes equal to the estimated fair value of similar debt instruments without the conversion feature, which resulted in us recording the debt at a discount. Kura amortizes the debt discount over the life of the convertible notes as additional non-cash interest expense utilizing the effective interest method.

Research and Development Expenses

Kura makes estimates of its accrued expenses as of each balance sheet date in its financial statements based on facts and circumstances known to it at that time. If the actual timing of the performance of services or the level of effort varies from the estimate, Kura will adjust the accrual accordingly. Nonrefundable advance payments for goods and services, including fees for process development or manufacturing and distribution of clinical supplies that will be used in future research and development activities, are deferred and recognized as expense in the period that the related goods are consumed or services are performed. Payments that Kura makes in connection with in-licensed technology for a particular research and development project that have no alternative future uses (in other research and development projects or otherwise) and therefore no separate economic values are expensed as research and development costs at the time such costs are incurred.

Results of Operations of Kura

The Year Ended December 31, 2014

The following table sets forth Kura's results of operations for the year ended December 31, 2014:

	Year Ended December 31, 2014
Research and development	$ 2,653,000
General and administrative	1,281,000
Other income, net	263,000

Research and Development Expenses. Kura's research and development expenses were $2.7 million for the year ended December 31, 2014. Research and development expenses for the year ended December 31, 2014 were primarily comprised of $1.8 million in license fees related to the acquisition of in-process research and development. In addition, other research and development expenses included $0.4 million of payroll related expenses and $0.2 million of share-based compensation, as well as other expenses as Kura expanded its operations.

General and Administrative Expenses. General and administrative expenses were $1.3 million for the year ended December 31, 2014. General and administrative expenses are comprised of $0.3 million of payroll related expenses, $0.6 million of professional and consulting fees and a $0.3 million gift to the Leukemia and Lymphoma Society in connection with Kura's license agreement with University of Michigan.

Management Fee Income, Related Party. Management fee income, related party was $0.3 million for the year ended December 31, 2014. In accordance with the management services agreement with Araxes, Kura receives a fixed monthly fee of $0.1 million for management services. The agreement has an initial term expiring on December 31, 2015 and renews automatically for additional consecutive one-year periods. The agreement may be terminated by either party with a notice of at least 30 days prior to December 31, 2015 or the expiration of the then-renewal term.

Interest Expense. Interest expense was $37,000 for the year ended December 31, 2014. The interest expense incurred during the year ended December 31, 2014 is primarily related to the convertible notes, which were converted into shares of Kura's common stock in connection with the Private Placement.

Liquidity and Capital Resources

Kura has incurred losses since inception on August 22, 2014 and negative cash flows from operating activities for the year ended December 31, 2014. As of December 31, 2014, Kura had an accumulated deficit of $3.7 million. We anticipate that we will continue to incur net losses for the foreseeable future as we continue the development and potential commercialization of our product candidates.

Kura has funded its operations primarily through the sale of convertible notes. Since inception through December 31, 2014, Kura has raised cash proceeds of $2.0 million from the sale of convertible notes. As of December 31, 2014, Kura had a cash balance of $1.1 million. Since December 31, 2014, Kura received proceeds of $4.0 million related to the issuance of convertible notes. Prior to the Merger, on March 6, 2015, Kura closed the Private Placement in which it sold to accredited investors approximately $60.0 million of its shares of common stock, which included approximately $7.5 million in principal and $0.1 million in accrued interest from the conversion of its then outstanding convertible promissory notes. Additionally, all of the shares issued in the Private Placement, along with the other shares of Kura that were outstanding immediately prior to the Merger, were exchanged for shares of our common stock at the Effective Time. For a more detailed discussion of the Private Placement and the Merger, see "Recent Developments – Private Placement" and "Recent Developments – Reverse Merger" above.

While we believe that our existing cash resources will be sufficient to fund our cash requirements for the next 12 months, we will require significant additional financing in the future to continue to fund our operations. We may seek to obtain additional financing in the future through equity or debt financings or through collaborations or partnerships with other companies. If we are unable to obtain additional financing on commercially reasonable terms, our business, financial condition and results of operations will be materially adversely affected.

The following table provides a summary of Kura's net cash flow activity for the period set forth below:

	Year Ended December 31, 2014
Net cash used in operating activities	$ (849,000)
Net cash used in investing activities	(28,000)
Net cash provided by financing activities	2,001,000
Net increase in cash	1,124,000

Cash used in operating activities

Cash used in operating activities was $0.8 million for the year ended December 31, 2014. Cash used in operating activities during the year ended December 31, 2014 primarily consisted of $3.7 million of net losses incurred. Cash used in operating activities was further adjusted for non-cash items such as an asset acquisition of $0.5 million, share-based compensation expenses of $0.2 million and net cash inflows from a change in our operating assets and liabilities of $2.1 million.

Cash used in investing activities

Net cash used in investing activities was $28,000 for the year ended December 31, 2014, which consisted of the purchase of fixed assets.

Cash provided by financing activities

Net cash provided from financing activities was $2.0 million for the year ended December 31, 2014. Net cash provided from financing activities for the year ended December 31, 2014 resulted from proceeds of $2.0 million from the issuance of a convertible note.

Operating Capital Requirements

To date, we have not generated any revenues from product sales, and we do not have any approved products. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product

sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to incur losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products. We are subject to all of the risks incident in the development of new therapeutic products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of stock offerings, debt financings, collaborations, strategic partnerships and licensing arrangements. We do not have any committed external source of funds. Additional capital may not be available on reasonable terms, if at all. To the extent that we raise additional capital through the sale of stock or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include increased fixed payment obligations and covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, selling or licensing intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we raise additional funds through collaborations, strategic partnerships or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, including our other technologies, future revenue streams or research programs, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through stock offerings or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and commercialize our product candidates even if we would otherwise prefer to develop and commercialize such product candidates ourself.

Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. The amount and timing of future funding requirements, both near- and long-term, will depend on many factors, including, but not limited to:

- the outcome, timing and cost of regulatory approvals by the FDA and comparable foreign regulatory authorities, including the potential for the FDA or comparable foreign regulatory authorities to require that we perform more studies than, or evaluate clinical endpoints other than, those that we currently expect;
- the timing and costs associated with manufacturing our product candidates for clinical trials, preclinical studies and, if approved, for commercial sale;
- the number and characteristics of product candidates that we pursue;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- Our need to expand our research and development activities, including our need and ability to hire additional employees;
- the effect of competing technological and market developments; and
- the cost of establishing sales, marketing and distribution capabilities for any products candidates for which we may receive regulatory approval.

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

Contractual Obligations and Commitments of Kura

The following table summarizes Kura's contractual obligations and commitments as of December 31, 2014 that will affect its future liquidity:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease obligations[1]	$199,000	$111,000	$ 88,000	$—	$—
Guaranteed charitable gift	$285,000	$ 95,000	$190,000	$—	$—
Total	$484,000	$206,000	$278,000	$—	—

(1) In August 2014, Kura entered into a multi-year non-cancelable building sublease for its facility in San Diego, California. The sublease expires in August 2016. In September 2014, Kura entered into a multi-year non-cancelable building lease for office space in Cambridge, Massachusetts. The lease expires in October 2016.

Kura's commitment for operating leases relates to its leases of office space in San Diego, California and Cambridge, Massachusetts.

Kura enters into contracts in the normal course of business with clinical sites for the conduct of clinical trials, CROs for preclinical research studies, professional consultants for expert advice and other vendors for clinical supply manufacturing or other services. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments.

Kura has in-license and asset purchase agreements under which it is obligated to make payments if and when specified development, regulatory approval and sales threshold milestones are achieved. The milestone payment obligations are not included in the table of contractual obligations and commitments if the amount and timing of such obligations are unknown or uncertain.

On February 15, 2015, Kura entered into a Sponsored Research Agreement with the University of Michigan under which it will sponsor up to $2.7 million of research at the University of Michigan over a three-year period. Kura will receive a non-exclusive right to any technology developed under the agreement and has an option right for an exclusive right to any such licenses developed under the agreement. The agreement allows for termination with notice at any time by Kura. In the event of termination by Kura prior to the second anniversary of the agreement, other than due to breach by the University of Michigan, Kura will be required to pay costs budgeted through the second anniversary up to $2.0 million of the sponsored research amount.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements (as defined by applicable regulations of the SEC) that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Other Information

JOBS Act

On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including without limitation with respect to, (1) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (2) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (a) the last day of the fiscal year in which we have total annual gross revenues of $1 billion or more, (b) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering, (c) the date on which we have issued more than $1 billion in non-convertible debt during the previous three years or (d) the date on which we are deemed to be a large accelerated filer (i.e., a seasoned issuer with public float of $700 million or more) under the rules of the SEC.

Recently Adopted Accounting Pronouncements

See "Notes to Financial Statements—Note 3—Recent Accounting Pronouncements" of Kura's financial statements.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Kura's cash balance as of December 31, 2014 consisted of cash held in an operating account that earns nominal interest income. All of Kura's long-term debt was converted into shares of its common stock in connection with the Private Placement; therefore, there was no or minimal interest rate risk

Internal Control Over Financial Reporting

Pursuant to Section 404(a) of the Sarbanes-Oxley Act, commencing the year following our first annual report required to be filed with the SEC, our management will be required to report on the effectiveness of our internal control over financial reporting. To comply with the requirements of being a reporting company under the Exchange Act, we may need to upgrade our systems, including information technology, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of March 6, 2015, after giving effect to the Merger (including the Redemption) and the Private Placement, by:

- each person or group who is known by us to beneficially own more than 5% of our common stock;
- each director and director-elect;
- our named executive officers; and
- all executive officers, directors and directors-elect as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 14,508,177 shares of common stock outstanding at March 6, 2015, after giving effect to the Merger (including the Redemption) and the Private Placement. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options, warrants or other convertible securities held by that person or entity that are currently exercisable or will be exercisable on or before May 5, 2015, which is 60 days after March 6, 2015. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Except as otherwise noted below, the address for each person or entity is c/o Kura Oncology, Inc., 11119 N. Torrey Pines Road, Suite 125, La Jolla, California 92037.

Beneficial Owner	Title	Shares of Common Stock Beneficially Owned (#)(1)	Percentage of Common Stock Beneficially Owned (%)(1)
Directors, Directors-Elect and Named Executive Officers			
Troy E. Wilson, Ph.D.(2)	Chairman, President and Chief Executive Officer	2,168,727	14.95%
Matthew P. Kinley	Director	—	*
Robert E. Hoffman	Director-Elect	9,494	*
All current executive officers, directors and directors-elect as a group (8 persons)(3)		4,391,521	30.27%
Other 5% or More Stockholders			

Entities affiliated with FMR LLC(4)	1,846,519	12.73%
EcoR1 Capital, LLC(5)	1,450,000	9.99%
ARCH Venture Fund VIII, L.P.(6)	1,344,937	9.27%
Pingda Ren, Ph.D.(7)	773,982	5.33%
Yi Liu, Ph.D.(8)	749,999	5.17%
Kevan Shokat(9)	750,000	5.17%

* Represents beneficial ownership of less than 1% of the shares of common stock.

(1) Beneficial ownership is determined in accordance with SEC rules, and includes any shares as to which the stockholder has sole or shared voting power or investment power, and also any shares which the stockholder has the right to acquire within 60 days of March 6, 2015, whether through the exercise or conversion of any stock option, convertible security, warrant or other right. The indication herein that shares are beneficially owned is not an admission on the part of the stockholder that he, she or it is a direct or indirect beneficial owner of those shares.

(2) Consists of (a) 12,500 shares of common stock owned by the 2013 *If I Ran the Circus* Irrevocable Trust for the benefit of Aidan Eliasson, a trust for the benefit of Dr. Wilson's minor child, (b) 12,500 shares of common stock owned by the 2013 *If I Ran the Circus* Irrevocable Trust for the benefit of Ethan Eliasson, a trust for the benefit of Dr. Wilson's minor child, (c) 1,736,991 shares of restricted common stock and common stock owned by *Red Fish Blue Fish* Revocable Trust, dated December 31, 2012, 1,458,334 shares of which are subject to a right of repurchase by us as of May 5, 2015, and (d) 406,736 shares of common stock owned by Araxes. Dr. Wilson is the trustee of *Red Fish Blue Fish* Revocable Trust, dated December 31, 2012 and as such has the dispositive power and control over the securities held by such trust.

(3) Consists of the shares identified in footnotes (2), (7), and (8) and includes 698,813 shares of restricted common stock and common stock owned by four other executive officers, directors-elect and/or entities affiliated with such executive officers or directors-elect, 537,762 shares of which are subject to a right of repurchase by us as of May 5, 2015.

(4) Consists of (a) 1,520,587 shares of common stock owned by Fidelity Select Portfolios: Biotechnology Portfolio, or Fidelity Select, and (b) 325,932 shares of common stock owned by Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund, or Fidelity Advisor. Fidelity Select has an address at c/o Brown Brothers Harriman & Co, 525 Washington Blvd., Jersey City, NJ 07310 and Fidelity Advisor has an address at c/o State Street Bank & Trust, P.O. Box 5756, Boston, MA 02206.

(5) Consists of (a) 918,000 shares of common stock owned by EcoR1 Capital Fund Qualified, L.P. and (b) 532,000 shares of common stock owned by EcoR1 Capital Fund, L.P. EcoR1 Capital, LLC has an address at 409 Illinois Street, San Francisco, CA 94158.

(6) Consists of shares held of record by ARCH Venture Fund VIII, L.P., or ARCH VIII. ARCH Venture Partners VIII, L.P., or the GPLP, as the sole general partner of ARCH VIII, may be deemed to beneficially own certain of the shares held of record by ARCH VIII. The GPLP disclaims beneficial ownership of all shares held of record by ARCH VIII in which the GPLP does not have an actual pecuniary interest. ARCH Venture Partners VIII, LLC, or the GPLLC, as the sole general partner of the GPLP, may be deemed to beneficially own certain of the shares held of record by ARCH VIII. The GPLLC disclaims beneficial ownership of all shares held of record by ARCH VIII in which it does not have an actual pecuniary interest. Keith Crandell, Clinton Bybee and Robert Nelsen are the managing directors of the GPLLC, and may be deemed to beneficially own certain of the shares held of record by ARCH VIII. The managing directors disclaim beneficial ownership of all shares held of record by ARCH VIII in which they do not have an actual pecuniary interest. ARCH Venture Fund VIII, L.P. has an address at 8725 West Higgins Road, Suite 290, Chicago, IL 60631.

(7) Consists of (a) 734,375 shares of restricted common stock owned by Pingda Ren, Ph.D., 625,000 shares of which are subject to a right of repurchase by us as of May 5, 2015, (b) 23,983 shares of common stock owned by Pingda Ren, Ph.D., (c) 7,812 shares of common stock owned by Pingda Ren, Custodian for Evan T. Ren, of which Dr. Ren has dispositive power and control, and (d) 7,812 shares of common stock owned by Pingda Ren, Custodian for Oliver T. Ren, of which Dr. Ren has dispositive power and control.

(8) Consists of (a) 734,375 shares of restricted common stock owned by Yi Liu, Ph.D., 625,000 shares of which are subject to a right of repurchase by us as of May 5, 2015, (b) 7,812 shares of common stock owned by Yi Liu, Custodian for Max Liu, of which Dr. Liu has dispositive power and control, and (c) 7,812 shares of common stock owned by Yi Liu, Custodian for Nicholas Liu, of which Dr. Liu has dispositive power and control.

(9) Consists of 750,000 shares of restricted common stock owned by Kevan Shokat, 625,000 shares of which are subject to a right of repurchase by us as of May 5, 2015.

MANAGEMENT AND DIRECTORS

At the Effective Time, John Pappajohn resigned from our board of directors and effective immediately following the Effective Time, Troy E. Wilson, Ph.D., J.D. was appointed to our board of directors, and together with Matthew P. Kinley, constitute our board of directors as of March 6, 2015. Effective upon the eleventh day after we file with the SEC and mail to our stockholders prior to the Merger a Schedule 14f-1 reporting a change in the majority of our directors, our board of directors will be reconstituted by the appointment of Robert E. Hoffman to serve with Dr. Wilson as directors, and the resignation of Matthew P. Kinley as a director. Our executive management team was also reconstituted immediately following the Effective Time by the appointment of Dr. Wilson as our President and Chief Executive Officer, Heidi Henson as our Chief Financial Officer and Secretary, Yi Liu, Ph.D. as our Chief Scientific Officer, Antonio Gualberto, M.D., Ph.D. as our Chief Medical Officer, Annette North as our Senior Vice President, General Counsel, and Pingda Ren, Ph.D. as our Senior Vice President, Chemistry and Pharmaceutical Sciences, and the resignation of Mr. Pappajohn and Mr. Kinley from all of their positions as officers. The following table sets forth the name and positions of each of our directors, directors-elect and executive officers after the Merger.

Executive Officers and Directors

The following table sets forth certain information concerning our executive officers, directors and directors-elect as of March 6, 2015:

Name	Age	Position
Executive Officers		
Troy Wilson, Ph.D., J.D.	46	Chairman, President and Chief Executive Officer
Heidi Henson	49	Chief Financial Officer and Secretary
Yi Liu, Ph.D.	47	Chief Scientific Officer
Antonio Gualberto, M.D., Ph.D.	50	Chief Medical Officer
Annette North	49	Senior Vice President, General Counsel
Pingda Ren, Ph.D.	46	Senior Vice President, Chemistry and Pharmaceutical Sciences
Non-Employee Directors and Directors-Elect		
Matthew P. Kinley	47	Director
Robert E. Hoffman	49	Director-Elect

Executive Officers

Troy Wilson, Ph.D., J.D. has served as our President and Chief Executive Officer and as the chairman of our board of directors since the Merger in March 2015 and has served as the President and Chief Executive Officer of Kura, as well as a member of Kura's board of directors, since August 2014. Dr. Wilson co-founded Kura in August 2014. Dr. Wilson has served as President and Chief Executive Officer of Wellspring Biosciences LLC, a private biopharmaceutical company, and its parent company Araxes Pharma LLC since July 2012 and as President and Chief Executive Officer of Avidity NanoMedicines LLC, a private biopharmaceutical company, since November 2012. Dr. Wilson served as the President and Chief Executive Officer and a member of the board of directors of Intellikine, Inc., a private biopharmaceutical company, from April 2007 to January 2012 and from August 2007 to January 2012, respectively, until its acquisition by Takeda Pharmaceuticals. He has also been a member of the board of directors of Puma Biotechnology, Inc., a public biopharmaceutical company, since October 2013, a member of the board of directors of Zosano Pharma, Inc., a public biopharmaceutical company, since June 2014, and a member of the board of managers of Araxes Pharma LLC, a private biopharmaceutical company, since May 2012, a member of the board of managers of Avidity NanoMedicines LLC since November 2012 and a member of the board of managers of Wellspring Biosciences LLC since May 2012. He holds a J.D. from New York University and graduated with a Ph.D. in bioorganic chemistry and a B.A. in biophysics from the University of California, Berkeley. Our board of directors believes that Dr. Wilson's experience in the pharmaceutical industry and his experience serving in executive roles and on other boards of directors qualify him to serve on our board of directors, including as the chairman.

Heidi Henson has served as our Chief Financial Officer and Secretary since the Merger in March 2015 and has served as the Chief Financial Officer and Secretary of Kura since August 2014. Ms. Henson has also served as Chief Financial Officer and Secretary of Wellspring Biosciences LLC, a private biopharmaceutical company, and its parent company Araxes Pharma LLC, since July 2012. From 2007 to March 2012, Ms. Henson served as the Vice President, Finance at Intellikine, Inc., a private biopharmaceutical company, until its acquisition by Takeda Pharmaceuticals. Ms. Henson has served as an independent financial consultant for several years assisting with various start-up activities for early stage companies, SEC reporting and Sarbanes-Oxley implementation and compliance. Ms. Henson previously served as Director of Finance at Anadys Pharmaceuticals, Inc., a public biopharmaceutical company, and held a number of management positions with Fair Isaac & Co., Inc. (formally HNC Software, Inc.), a public software company. Ms. Henson began her career in auditing at PricewaterhouseCoopers LLP, a public accounting firm, where she served both public and private companies. She received a Bachelor's of Accountancy from the University of San Diego and is a Certified Public Accountant.

Yi Liu, Ph.D. has served as our Chief Scientific Officer since the Merger in March 2015 and has served as the Chief Scientific Officer of Kura since October 2014. Dr. Liu co-founded Kura in August 2014. Prior to that, Dr. Liu co-founded and served as Chief Scientific Officer of Wellspring Biosciences LLC, a private biopharmaceutical company, from July 2012 to September 2014. Dr. Liu also co-founded Intellikine, Inc., a private biopharmaceutical company, where he served as Vice President of Drug Discovery from 2007 to May 2012, until its acquisition by Takeda Pharmaceuticals. Prior to Intellikine, Dr. Liu was the head of the drug design group at the Genomics Institute of the Novartis Research Foundation. Earlier in his career, he held senior scientist positions at both SGX Pharmaceuticals, Inc., a public biopharmaceutical company which was acquired by Eli Lilly and Company in 2008, and Curagen Corporation, a public biopharmaceutical development company. Dr. Liu received his Ph.D. in Biochemistry from Princeton University, his MSc in computational chemistry from Beijing University and his BE in Chemical Engineering from Tsinghua University.

Antonio Gualberto, M.D., Ph.D. has served as our Chief Medical Officer since the Merger in March 2015 and has served as the Chief Medical Officer of Kura since October 2014. Dr. Gualberto co-founded Kura in August 2014. From June 2012 to September 2014, Dr. Gualberto served as the head of the global clinical development center for oncology at EMD Serono, Inc., the biopharmaceutical subsidiary in the United States of Merck KGaA, Darmstadt, Germany, a global pharmaceutical and chemical group. Prior to this, from September 2010 to April 2012, Dr. Gualberto served as a group head of clinical research for the Takeda Oncology Company, a private biopharmaceutical company. From October 1999 to August 2010 Dr. Gualberto served in varying roles at Pfizer, Inc., a public pharmaceutical company, including Senior Director, Clinical Development and Medical Affairs, and Global Clinical Leader. He has also held several academic positions including, from October 2008 to June 2012, an adjunct appointment of associate professor of pathology and laboratory medicine at The Warren Alpert Medical School of Brown University. Dr. Gualberto received his B.S. from Trinidad College and M.D. and Ph.D. degrees from the University of Seville in Spain. He received postgraduate fellowship training at Case Western Reserve University and the University of North Carolina at Chapel Hill Lineberger Comprehensive Cancer Center.

Annette North has served as our Senior Vice President, General Counsel since the Merger in March 2015 and has served as the Senior Vice President, General Counsel of Kura since January 2015. Ms. North also serves as General Counsel and Secretary of Wellspring Biosciences LLC and its parent company Araxes Pharma LLC. Prior to joining us, Ms. North served as Senior Vice President and General Counsel of Ambit Biosciences Corporation, a public biopharmaceutical company, from June 2013 to January 2015, during which time Ambit completed its initial public offering and was acquired by Daiichi Sankyo Company Limited. From January 2009 to December 2014, Ms. North was an independent legal consultant to a number of life sciences companies. From 2000 to 2008, Ms. North served as General Counsel and held a number of other positions at SGX Pharmaceuticals, Inc., a public biopharmaceutical company which was acquired by Eli Lilly and Company in 2008. Earlier in her career, Ms. North served as Senior Director of Operations and Legal at Axys Pharmaceuticals, Inc., a biopharmaceutical company, and Director of Legal Affairs at Sequana Therapeutics, Inc., a biopharmaceutical company. Ms. North received both her Bachelor of Commerce and her Bachelor of Laws from the University of Melbourne, Australia.

Pingda Ren, Ph.D. has served as our Senior Vice President of Chemistry and Pharmaceutical Sciences since the Merger in March 2015 and has served as the Senior Vice President of Chemistry and Pharmaceutical Sciences of Kura since October 2014. Dr. Ren co-founded Kura in August 2014. Prior to that, Dr. Ren co-founded and served as Senior Vice President of Chemistry of Wellspring Biosciences LLC, a private biopharmaceutical company, from July 2012 to September 2014. Dr. Ren also co-founded Intellikine, Inc., a private biopharmaceutical company, where he served as Vice President of Chemistry from 2007 to May 2012, until its acquisition by Takeda Pharmaceuticals. Prior to Intellikine, Dr. Ren was a Senior Research Investigator in Genomics Institute of the Novartis Research Foundation. Earlier in his career, Dr. Ren was a Senior Research Chemist at Albany Molecular Research Inc., a public global contract research and manufacturing organization. Dr. Ren earned his B.A and Ph.D. of Chemistry from Fudan University in China. He completed his postdoctoral research with Professor Huw M. L. Davies at State University of New York at Buffalo.

Non-Employee Directors and Directors-Elect

Matthew P. Kinley served as our Chief Financial Officer and Secretary since our inception in 2007 until the closing of the Merger in March 2015. In addition, he has served a member of our board of directors since our inception in 2007, but has

agreed to resign as a director effective upon the eleventh day following the date we file with the SEC and mail to our stockholders prior to the Merger a Schedule 14f-1 reporting a change in the majority of our directors. Mr. Kinley currently serves as the Senior Vice President of Equity Dynamics, Inc., a financial consulting firm, and Pappajohn Capital Resources, a venture capital firm. He has served as such since 1995. Mr. Kinley served as President and as a director of Healthcare Acquisition Corp. from April 2005 through August 2007. Healthcare Acquisition Corp. is now the public company known as PharmAthene, Inc., which trades under the symbol "NYSE MKT:PIP". Mr. Kinley has been involved in the financing and development of more than 25 companies in the past ten years. Mr. Kinley currently serves as a director of American CareSource Holdings, Inc. which trades under the symbol "NASDAQ:ANCI". From 1990 through 1995, Mr. Kinley was manager and held various positions at KPMG Peat Marwick, working on tax, audit and merger and acquisition issues. He currently serves on the board of directors of several private companies. Mr. Kinley also serves on the College of Business Executive Advisory Board and the Entrepreneurial Center Advisory Board at the University of Northern Iowa. Mr. Kinley received his B.A. in Business, with highest honors, from the University of Northern Iowa in May 1990. Mr. Kinley's experience serving in executive roles and on other boards of directors qualify him to serve on our board of directors until the director-elect takes office.

Robert E. Hoffman. Mr. Hoffman has served as Senior Vice President, Finance and Chief Financial Officer of Arena Pharmaceuticals, Inc., or Arena, a public biopharmaceutical company, since June 2012. Mr. Hoffman served as the Vice President, Finance and Chief Financial Officer of Arena from August 2011 to June 2012 and previously from December 2005 to March 2011. Mr. Hoffman served as Vice President, Finance and Chief Accounting Officer of Arena from June 2004 to December 2005, as Vice President, Finance of Arena from April 2000 to June 2004, and as Controller of Arena from August 1997 to April 2000. From March 2011 to August 2011, Mr. Hoffman served as Chief Financial Officer for Polaris Group, a biopharmaceutical drug company. Mr. Hoffman is a member of the board of directors of CombiMatrix Corporation, a molecular diagnostics company, and MabVax Therapeutics Holdings, Inc., a biopharmaceutical company. Mr. Hoffman serves as a member of the Financial Accounting Standards Board's Small Business Advisory Committee and the steering committee of the Association of Bioscience Financial Officers. Mr. Hoffman is also a member and a former director and President of the San Diego Chapter of Financial Executives International. Mr. Hoffman holds a B.B.A. from St. Bonaventure University, and is licensed as a C.P.A. (inactive) in the State of California. Our board of directors believes that Mr. Hoffman's experience in the biopharmaceutical industry and his experience serving in executive roles qualify him to serve on our board of directors.

Scientific Advisors

Kevan Shokat, Ph.D. Professor Shokat is currently an Investigator of the Howard Hughes Medical Institute, Chair of the Department of Cellular and Molecular Pharmacology at the University of California at San Francisco. He is also a Professor in the Department of Chemistry at the University of California at Berkeley. After receiving his Ph.D. in Organic Chemistry at UC Berkeley with Professor Peter Schultz, and post-doctoral work in immunology at Stanford University with Professor Chris Goodnow, Dr. Shokat began his independent research career at Princeton University where he was promoted from Assistant to Associate Professor in four years. He has received numerous awards including being named a Fellow of several prestigious research foundations including the Pew Foundation, Searle Foundation, Sloan Foundation, Glaxo-Wellcome Foundation, and the Cotrell Foundation. He has also received the Eli Lilly Award, given to the most promising biological chemist in the country under the age of 37. He was inducted into the National Academy of Sciences (2010), the Institute of Medicine (2011), and the American Academy of Arts and Sciences (2011).

Frank McCormick, PhD, FRS. Dr. McCormick is currently Professor Emeritus of the UCSF Helen Diller Family Comprehensive Cancer Center. Prior to joining the UCSF faculty, Dr. McCormick pursued cancer-related work with several Bay Area biotechnology firms and held positions with Cetus Corporation (Director of Molecular Biology, 1981-1990; Vice President of Research, 1990-1991) and Chiron Corporation, where he was Vice President of Research from 1991 to 1992. In 1992 he founded Onyx Pharmaceuticals, a company dedicated to developing new cancer therapies, and served as its Chief Scientific Officer until 1996. At Onyx Pharmaceuticals, Dr. McCormick initiated and led drug discovery efforts that led to the approval of Sorafenib in 2005 for treatment of renal cell cancer, and for liver cancer in 2007, and the approval of ONYX-015 in 2006 in China for treatment of nasopharyngeal cancer. Dr. McCormick holds the David A. Wood Chair of Tumor Biology and Cancer Research at UCSF. Dr. McCormick is the author of over 285 scientific publications and holds 20 issued patents. He also served as President, 2012-2013 for the American Association for Cancer Research (AACR). More recently, he has taken a leadership role at the Frederick National Lab for Cancer Research, overseeing an NCI supported national effort to develop therapies against Ras-driven cancers.

Compensation Committee Interlocks and Insider Participation

We currently do not have a compensation committee. None of our executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our board of directors.

Board Composition and Election of Directors

Terms of Office

Our amended and restated certificate of incorporation, which we expect to file on or about the date that is 20 calendar days from the date we expect to file with the SEC and mail to our stockholders prior to the Merger a definitive Schedule 14C reporting the adoption of the amended and restated certificate of incorporation by our stockholders prior to the Merger, and our amended and restated bylaws, which became effective upon the Merger, provide that the authorized number of directors may be changed only by resolution of our board of directors. We currently have authorized two directors. We do not currently have a classified board.

Director Independence

Our securities are not listed on a national securities exchange or on any inter-dealer quotation system which has a requirement that a majority of directors be independent. We evaluate independence, however, by the standards for director independence set forth in the NASDAQ Marketplace Rules. Under Rules 5605 and 5615 of the NASDAQ Marketplace Rules, a majority of a listed company's board of directors must be comprised of independent directors, subject to certain phase-in exceptions. In addition, NASDAQ Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and governance and nominating committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. Under Rule 5605(a)(2) of the NASDAQ Marketplace 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.

Based upon information requested from and provided by each director concerning their background, employment and affiliations, including family relationships, our board of directors has determined that Mr. Hoffman, who will serve on our board of directors as the New Board Effective Date, does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that Mr. Hoffman is "independent" as that term is defined under Rule 5605(a)(2) of the NASDAQ Marketplace Rules. Dr. Wilson and Mr. Kinley, our current directors, are or have been employed by us during 2015 and are therefore not independent under NASDAQ Marketplace Rules.

Committees of the Board of Directors

Our board of directors does not currently have an audit committee, a compensation committee or a nominating and governance committee but intends to establish an audit committee, a compensation committee and a nominating and corporate governance committee. Each committee will operate under a charter to be approved by our board of directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations regarding the filing of required reports, we believe that all Section 16(a) filing requirements applicable to our directors, executive officers and greater-than-ten-percent beneficial owners with respect to fiscal 2014 were met.

Code of Ethics

We have not yet adopted a code of ethics, which would apply to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our board of directors plans to adopt a code of ethics.

Board Structure

We have chosen to combine the chief executive officer and chairman of the board of directors positions. We believe that this board of directors leadership structure is the most appropriate for us. Because we are a small company, it is more efficient to have the leadership of the board of directors in the same hands as the chief executive officer. The challenges faced by us at this stage – obtaining financing and implementing our business and marketing plan – are most efficiently dealt with by one person who is familiar with both the operational aspects as well as the strategic aspects of our business.

Board Assessment of Risk

Our board of directors oversees our risk management function. Our management keeps the board of directors apprised of material risks and provides directors access to all information necessary for them to understand and evaluate how these risks

interrelate and how management addresses those risks. If the identified risk poses an actual or potential conflict with management, our non-employee directors may conduct the assessment. Currently, the primary risks affecting us are access to financing and the conduct of our clinical trials.

Board Diversity

While we do not have a formal policy on diversity, our board of directors considers diversity to include the skill set, background, reputation, type and length of business experience of our board of directors members, as well as, a particular nominee's contributions to that mix. Our board of directors believes that diversity brings a variety of ideas, judgments and considerations that can benefit our stockholders and us. Although there are many other factors, the board of directors primarily seeks individuals with experience in the design and conduct of clinical trials and other aspects of life science companies.

Indemnification of Directors and Officers

Our pending amended and restated certificate of incorporation will limit our directors' liability to the fullest extent permitted under Delaware corporate law. Delaware corporate law provides that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the Delaware General Corporation Law for the unlawful payment of dividends; or
- for any transaction from which the director derives an improper personal benefit.

These provisions eliminate our rights and those of our stockholders to recover monetary damages from a director for breach of his fiduciary duty of care as a director except in the situations described above. The limitations summarized above, however, do not affect our ability or that of our stockholders to seek non-monetary remedies, such as an injunction or rescission, against a director for breach of his fiduciary duty.

Section 145 of the Delaware General Corporation Law provides a corporation with the power to indemnify any officer or director acting in his capacity as our representative who is, or is threatened to be, made a party to any lawsuit or other proceeding for expenses, judgment and amounts paid in settlement in connection with such lawsuit or proceeding. The indemnity provisions apply whether the action was instituted by a third party or was filed by one of our stockholders. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. We have provided for this indemnification in our pending amended and restated certificate of incorporation because we believe that it is important to attract qualified directors and officers.

We have entered into indemnification agreements with each of our executive officers and directors that require us to indemnify such persons against any and all expenses, including judgments, fines or penalties, attorney's fees, witness fees or other professional fees and related disbursements and other out-of-pocket costs incurred, in connection with any action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry or administrative hearing, whether threatened, pending or completed, to which any such person may be made a party by reason of the fact that such person is or was a director, officer, employee or agent of our company, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, our best interests. The indemnification agreements also set forth procedures that will apply in the event of a claim for indemnification thereunder. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification by us for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us pursuant to provisions of our pending amended and restated certificate of incorporation and amended and restated bylaws, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification by such director, officer or controlling person of us 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 offered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

At the present time, there is no pending litigation or proceeding involving a director, officer, employee or other agent of ours in which indemnification would be required or permitted. We are not aware of any threatened litigation or proceeding, which may result in a claim for such indemnification.

Stockholder Communications

Although we do not have a formal policy regarding communications with our board of directors, stockholders may communicate with the board of directors by writing to us at 11119 N. Torrey Pines Road, Suite 125, La Jolla, California 92037, Attention: Chief Executive Officer. Stockholders who would like their submission directed to a member of the board of directors may so specify, and the communication will be forwarded, as appropriate.

Other Information

We are required to file periodic reports, proxy statements and other information with the SEC. You may read and copy this information at the Public Reference Room of the SEC, 100 F. Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain a copy of these reports by accessing the SEC's website at http://www.sec.gov. You may also send communications to our board of directors at: Kura Oncology, Inc., 11119 N. Torrey Pines Road, Suite 125, La Jolla, California 92037, Attention: Board of Directors.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Our named executive officers for the year ended December 31, 2014 consist solely of our principal executive officer, Troy Wilson, Ph.D., J.D., our President and Chief Executive Officer. None of our other executive officers received total compensation in excess of $100,000 for the year ended December 31, 2014. Unless we specifically indicate otherwise, all share and per share numbers included in this "Executive Officer and Director Compensation" section have been adjusted as necessary to reflect the exchange of shares in the Merger.

Summary Compensation Table

Name and principal position	Year	Salary ($)	Stock awards ($)(2)	All other compensation ($)(3)	Total ($)
Troy Wilson, Ph.D., J.D.(1)					
President and Chief Executive Officer	2014	82,500	3,500	409	86,409

(1) Dr. Wilson served as Kura's President and Chief Executive Officer commencing on August 29, 2014.

(2) In accordance with SEC rules, this column reflects the aggregate fair value of the stock awards granted during 2014 computed as of their respective grant dates in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 for stock-based compensation transactions (ASC 718). Assumptions used in the calculation of these amounts are included in Note 2 to our financial statements appearing elsewhere in this Current Report on Form 8-K. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock awards or the sale of the common stock underlying such stock awards.

(3) This column reflects amounts paid by us on behalf of the named executive officer pursuant to an executive disability policy. For more information regarding these benefits, see below under "—Perquisites, Health, Welfare and Retirement Benefits."

Annual Base Salary

The base salary of our named executive officers is generally determined and approved at the beginning of each year or, if later, in connection with the commencement of employment of the executive, by our board of directors. The following represents the 2014 annual base salary, which became effective in October 2014, for our named executive officer.

Name	2014 Base Salary ($)
Troy Wilson, Ph.D., J.D.	330,000

Bonus Compensation

From time to time our board of directors may approve bonuses for our named executive officers based on individual performance, company performance or as otherwise determined appropriate.

Pursuant to Dr. Wilson's executive employment agreement, he is eligible for an annual discretionary bonus of up to 40% of his annual base salary based upon our and Dr. Wilson's achievement of objectives and milestones as determined by the board of directors. In 2014, Dr. Wilson did not receive or earn any bonus.

Equity-Based Incentive Awards

Our equity-based incentive awards are designed to align our interests and the interests of our stockholders with those of our employees and consultants, including our named executive officers. The board of directors is responsible for approving equity grants.

We have historically used restricted stock awards as the primary incentive for long-term compensation to our named executive officer. We may grant equity awards at such times as our board of directors determines appropriate. Our executives generally are awarded an initial equity grant in connection with their commencement of employment. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain corporate goals or to reward executives for exceptional performance.

Prior to the Merger, Kura granted all restricted stock awards pursuant to its 2014 Equity Incentive Plan. Such restricted stock awards generally vest over a four-year period and may be subject to acceleration of vesting under certain termination and change of control events. In connection with the Merger, we assumed Kura's 2014 Equity Incentive Plan and concurrently approved the amendment and restatement of the Kura 2014 Equity Incentive Plan pursuant to our 2014 plan, effective upon the date that is 20 days after the mailing of a definitive Schedule 14C information statement to our pre-Merger stockholders. We will continue to grant equity incentive awards under the terms of the 2014 plan. The terms of our equity plan is described below under "—Equity Benefit Plans."

On August 29, 2014, the Kura board of directors granted a restricted stock award to Dr. Wilson for 3,500,000 shares of Kura common stock, with the shares vesting in equal monthly installments over the following four years, subject to Dr. Wilson's continued service with us. Prior to the Merger, such shares were transferred to three trusts affiliated with Dr. Wilson. In connection with the Exchange, such shares became shares of our common stock.

Agreements with our Named Executive Officers

Below is a written description of our executive employment agreement with our named executive officer, Dr. Wilson. Dr. Wilson's employment is "at will" and may be terminated at any time.

Dr. Wilson. We entered into an executive employment agreement with Dr. Wilson, which was effective as of October 1, 2014, setting forth the terms of his employment as our President and Chief Executive Officer. Pursuant to the agreement, Dr. Wilson is entitled to an initial annual base salary of $330,000 and is eligible for an annual discretionary bonus of up to 40% of his annual base salary based upon our and Dr. Wilson's achievement of objectives and milestones as determined by the board of directors.

Potential Payments upon Termination and Change of Control

Regardless of the manner in which our named executive officer's service terminates, the named executive officer is entitled to receive amounts earned during his term of service, including salary and unused vacation pay.

Dr. Wilson. Pursuant to his executive employment agreement, if we terminate Dr. Wilson's employment without cause or he resigns for good reason (i) more than 59 days before or 12 months after the closing of a corporate transaction, subject to his execution of an effective release and waiver of claims in favor of us, Dr. Wilson will receive a cash lump-sum payment in an amount equal to 12 months of Dr. Wilson's then annual base salary or (ii) within 59 days prior to or within 12 months following the closing of a corporate transaction, subject to his execution of an effective release and waiver of claims in favor of us, Dr. Wilson will receive (1) a cash lump-sum payment in an amount equal to 12 months of Dr. Wilson's then annual base salary; (2) a cash lump-sum payment in an amount equal to Dr. Wilson's full target bonus amount for services to be performed during the year in which the corporate transaction occurs; (3) payment for continued health benefits under COBRA for up to 12 months; and (4) accelerated vesting of all of his outstanding stock awards in full.

For purposes of the agreement described above:

- "cause" generally means with respect to Dr. Wilson, (1) being convicted of or pleading guilty or *nolo contendere* to a

felony or any crime involving moral turpitude or dishonesty; (2) participating in a fraud or act of dishonesty against us; (3) materially breaching any agreement with us or any of our written policies, and not curing such breach within five days of our written notice of such breach; (4) engaging in conduct that demonstrates gross unfitness to serve; or (5) engaging in willful misconduct or refusing to comply with any lawful directive of us, and not curing such noncompliance within five days of our written notice of such noncompliance.

- "good reason" generally means with respect to Dr. Wilson, if any of the following actions are taken by us without Dr. Wilson's written consent: (1) a material reduction in Dr. Wilson's base salary, unless pursuant to a generally applicable salary reduction program; (2) a material reduction in Dr. Wilson's duties (including responsibilities and/or authorities); (3) if applicable, a material reduction in the authority, duties, or responsibilities of the supervisor to whom Dr. Wilson is required to report, including a requirement that the executive report to someone other than our chief executive officer; (4) relocation of Dr. Wilson's principal place of employment to a place that increases his one-way commute by more than 50 miles; or (5) any other action or inaction that constitutes a material breach by us of Dr. Wilson's employment agreement or other service agreement.
- "corporate transaction" generally means the consummation, in a single transaction or is a series of related transactions, of (1) a sale, lease, or other disposition or all or substantially all of our consolidated assets; (2) a merger, consolidation, or similar transaction following which we are not the surviving entity, or (3) a merger, consolidation or similar transaction following which we are the surviving entity but the units outstanding immediately preceding the transaction are converted or exchanged into other property, whether in the form of securities, cash or otherwise.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information regarding equity awards granted to our named executive officer that remain outstanding as of December 31, 2014.

	Stock Awards(1)	
	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)
Troy Wilson, Ph.D., J.D.	3,208,334(2)	9,079,585(3)

(1) All of the outstanding stock awards were granted under and subject to the terms of the Kura 2014 Equity Incentive Plan which we amended and restated pursuant to our 2014 plan which is described below under "—Equity Benefit Plans." All vesting of stock awards is subject to the executive's continuous service with us through the vesting dates and the potential vesting acceleration described above under "—Potential Payments upon Termination and Change of Control."

(2) Represents the unvested portion of a restricted stock award originally granted to Dr. Wilson. The shares vest such that 1/48th of the 3,500,000 shares granted (or 72,916.67 shares) vest on the 29th day of the month, commencing on September 29, 2014 and ending on August 29, 2018. Such shares are currently held in the name of "Red Fish Blue Fish Revocable Trust, dated December 31, 2012," an affiliated trust of Dr. Wilson.

(3) Because our common stock was not traded on a public market on December 31, 2014, the market value has been determined based on a per-share common stock value of $2.83, which was the per share value of our common stock as determined by an independent valuation firm as of December 31, 2014.

Perquisites, Health, Welfare and Retirement Benefits

Our named executive officer is eligible to participate in our employee benefit plans, including our medical, dental, vision, group life, disability and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. We provide a 401(k) plan to our employees, including our current named executive officer, as discussed in the section below entitled "—401(k) Plan."

We generally do not provide perquisites or personal benefits to our named executive officer, except in limited circumstances. We do, however, pay the premiums for term life insurance and disability insurance for all of our employees, including our current named executive officer. In addition, we have an executive disability policy for our executive officers. Our board of directors may elect to adopt qualified or non-qualified benefit plans in the future if it determines that doing so is in our best interests.

401(k) Plan

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our named executive officer is eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Code. The 401(k) plan provides that each participant may contribute up to the lesser of 100% of his or her compensation or the statutory limit, which is $17,500 for calendar year 2014. Participants that are 50 years or older can also make "catch-up" contributions, which in calendar year 2014 may be up to an additional $5,500 above the statutory limit. We currently do not make matching contributions into the 401(k) plan on behalf of participants. Participant contributions are held and invested, pursuant to the participant's instructions, by the plan's trustee.

Nonqualified Deferred Compensation

We do not maintain nonqualified defined contribution plans or other nonqualified deferred compensation plans. Our board of directors may elect to provide our officers and other employees with non-qualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Equity Benefit Plans

Amended and Restated 2014 Equity Incentive Plan

The board of directors and stockholders of Kura approved the Kura 2014 Equity Incentive Plan in August 2014 and we have approved the amendment and restatement of the Kura 2014 Equity Incentive Plan pursuant to our 2014 plan, effective upon the date that is 20 days after the mailing of a definitive Schedule 14C information statement to our pre-Merger stockholders. As of March 6, 2015, there were outstanding restricted stock awards covering 4,943,498 shares that were granted under the Kura 2014 Equity Incentive Plan. Upon the effectiveness of our 2014 plan, there will be 1,031,500 shares remaining available for the grant of stock awards under our 2014 plan.

Stock Awards. The 2014 plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other forms of equity compensation, which we refer to collectively as stock awards, all of which may be granted to employees, including officers, non-employee directors and consultants of us and our affiliates. Additionally, the 2014 plan provides for the grant of performance cash awards. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

Share Reserve. Initially, the aggregate number of shares of our common stock that may be issued pursuant to stock awards under the 2014 plan as restated is 5,975,000 shares. Additionally, the number of shares of our common stock reserved for issuance under our 2014 plan will automatically increase on January 1 of each year, beginning on January 1, 2016 and continuing through and including January 1, 2025, by 4% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors. The maximum number of shares that may be issued upon the exercise of ISOs under our 2014 plan is 12,000,000 shares.

No person may be granted stock awards covering more than 1,000,000 shares of our common stock under our 2014 plan during any calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the fair market value on the date the stock award is granted. Additionally, no person may be granted in a calendar year a performance stock award covering more than 1,000,000 shares or a performance cash award having a maximum value in excess of $1,000,000. Such limitations are designed to help assure that any deductions to which we would otherwise be entitled with respect to such awards will not be subject to the $1,000,000 limitation on the income tax deductibility of compensation paid to any covered executive officer imposed by Section 162(m) of the Code.

If a stock award granted under the 2014 plan expires or otherwise terminates without being exercised in full, or is settled in cash, the shares of our common stock not acquired pursuant to the stock award again will become available for subsequent

issuance under the 2014 plan. In addition, the following types of shares under the 2014 plan may become available for the grant of new stock awards under the 2014 plan: (1) shares that are forfeited to or repurchased by us prior to becoming fully vested; (2) shares withheld to satisfy income or employment withholding taxes; or (3) shares used to pay the exercise or purchase price of a stock award. Shares issued under the 2014 plan may be previously unissued shares or reacquired shares bought by us on the open market.

Administration. Our board of directors, or a duly authorized committee thereof, has the authority to administer the 2014 plan. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than other officers) to be recipients of certain stock awards, and (2) determine the number of shares of common stock to be subject to such stock awards. Subject to the terms of the 2014 plan, our board of directors or the authorized committee, referred to herein as the plan administrator, determines recipients, dates of grant, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting schedule applicable to a stock award. Subject to the limitations set forth below, the plan administrator will also determine the exercise price, strike price or purchase price of awards granted and the types of consideration to be paid for the award.

The plan administrator has the authority to modify outstanding awards under our 2014 plan. Subject to the terms of our 2014 plan, the plan administrator has the authority to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, within the terms and conditions of the 2014 plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2014 plan vest at the rate specified by the plan administrator.

The plan administrator determines the term of stock options granted under the 2014 plan, up to a maximum of 10 years. Unless the terms of an option holder's stock option agreement provide otherwise, if an option holder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, and (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

Tax Limitations On Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates, or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the plan administrator. A restricted stock award may be transferred only upon such terms and

conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock that has not vested will be forfeited or repurchased by us upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Upon the exercise of a stock appreciation right, we will pay the participant an amount equal to the product of (1) the excess of the per share fair market value of our common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the stock appreciation right is exercised. A stock appreciation right granted under the 2014 plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

The plan administrator determines the term of stock appreciation rights granted under the 2014 plan, up to a maximum of ten years. Unless the terms of a participant's stock appreciation right agreement provides otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. The 2014 plan permits the grant of performance-based stock and cash awards that may qualify as performance-based compensation that is not subject to the $1,000,000 limitation on the income tax deductibility of compensation paid to a covered executive officer imposed by Section 162(m) of the Code. To help assure that the compensation attributable to performance-based awards will so qualify, our board of directors can structure such awards so that stock or cash will be issued or paid pursuant to such award only after the achievement of certain pre-established performance goals during a designated performance period.

The performance goals that may be selected include one or more of the following: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) earnings before interest, taxes, depreciation, amortization and legal settlements; (5) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (6) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (7) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (8) total stockholder return; (9) return on equity or average stockholders' equity; (10) return on assets, investment, or capital employed; (11) stock price; (12) margin (including gross margin); (13) income (before or after taxes); (14) operating income; (15) operating income after taxes; (16) pre-tax profit; (17) operating cash flow; (18) sales or revenue targets; (19) increases in revenue or product revenue; (20) expenses and cost reduction goals; (21) improvement in or attainment of working capital levels; (22) economic value added (or an equivalent metric); (23) market share; (24) cash flow; (25) cash flow per share; (26) share price performance; (27) debt reduction; (28) stockholders' equity; (29) capital expenditures; (30) debt levels; (31) operating profit or net operating profit; (32) workforce diversity; (33) growth of net income or operating income; (34) billings; (35) bookings; (36) employee retention; (37) initiation of phases of clinical trials and/or studies by specific dates; (38) patient enrollment rates; (39) budget management; (40) submission to, or approval by, a regulatory body (including, but not limited to the FDA) of an applicable filing or a product candidate; (41) implementation or completion of projects or processes (including, without limitation, clinical trial initiation, clinical trial enrollment, clinical trial results, new and supplemental indications for existing products, regulatory filing submissions, regulatory filing acceptances, regulatory or advisory committee interactions, regulatory approvals, and product supply); (42) regulatory milestones; (43) progress of internal research or clinical programs; (44) progress of partnered programs; (45) partner satisfaction; (46) timely completion of clinical trials; (47) submission of INDs and NDAs and other regulatory achievements; (48) research progress, including the development of programs; (49) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; and (50) to the extent

that an award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by our board of directors.

The performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (1) in the award agreement at the time the award is granted or (2) in such other document setting forth the performance goals at the time the goals are established, we will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (a) to exclude restructuring and/or other nonrecurring charges; (b) to exclude exchange rate effects; (c) to exclude the effects of changes to generally accepted accounting principles; (d) to exclude the effects of any statutory adjustments to corporate tax rates; (e) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (f) to exclude the dilutive effects of acquisitions or joint ventures; (g) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (h) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (i) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (j) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (k) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; (l) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item; and (m) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the FDA or any other regulatory body. In addition, we retain the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of the goals. The performance goals may differ from participant to participant and from award to award.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2014 plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued upon the exercise of ISOs, (4) the class and maximum number of shares subject to stock awards that can be granted in a calendar year (as established under the 2014 plan pursuant to Section 162(m) of the Code), (5) the class and maximum number of shares that may be awarded to any non-employees director and (6) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. In the event of certain specified significant corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

- arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;
- accelerate the vesting of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse of any reacquisition or repurchase right held by us;
- cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our board of directors may deem appropriate; or
- make a payment equal to the excess of (a) the value of the property the participant would have received upon exercise of the stock award over (b) the exercise price otherwise payable in connection with the stock award.

Our plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2014 plan, a corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our assets, (2) a sale or other disposition of at least 90% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation, or (4) a merger, consolidation or

similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change of Control. The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. Under the 2014 plan, a change of control is generally (1) the acquisition by a person or entity of more than 50% of our combined voting power other than by merger, consolidation or similar transaction; (2) a consummated merger, consolidation or similar transaction immediately after which our stockholders cease to own more than 50% of the combined voting power of the surviving entity; (3) a consummated sale, lease or exclusive license or other disposition of all or substantially of our assets; (4) a complete dissolution or liquidation of us, except for a liquidation into a parent corporation, or (5) when a majority of our board of directors becomes comprised of individuals who were not serving on our board of directors on the date of adoption of the 2014 plan, or the incumbent board, or whose nomination, appointment, or election was not approved by a majority of the incumbent board still in office.

Amendment and Termination. Our board of directors has the authority to amend, suspend, or terminate our 2014 plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. No ISOs may be granted after March 6, 2025, which is the tenth anniversary of the date our board of directors amended and restated our 2014 plan.

2015 Employee Stock Purchase Plan

Our board of directors and stockholders adopted the ESPP, which will become effective upon the date that is 20 days after the mailing of a definitive Schedule 14C information statement to our pre-Merger stockholders. The purpose of the ESPP is to retain the services of new employees and secure the services of new and existing employees while providing incentives for such individuals to exert maximum efforts toward our success and that of our affiliates.

Share Reserve. The ESPP authorizes the issuance of 25,000 shares of our common stock pursuant to purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, from January 1, 2016 through January 1, 2025 by the least of (1) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, (2) 2,000,000 shares, or (3) a number determined by our board of directors that is less than (1) and (2). The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code. As of the date hereof, no shares of our common stock have been purchased under the ESPP.

Administration. Our board of directors, or a duly authorized committee thereof, has the authority to administer the ESPP. The ESPP is implemented through a series of offerings of purchase rights to eligible employees. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for accounts of employees participating in the ESPP at a price per share equal to the lower of (1) 85% of the fair market value of a share of our common stock on the first date of an offering or (2) 85% of the fair market value of a share of our common stock on the date of purchase.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors: (1) customarily employed for more than 20 hours per week, (2) customarily employed for more than five months per calendar year or (3) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of $25,000 worth of our common stock based on the fair market value per share of our common stock at the beginning of an offering for each year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value pursuant to Section 424(d) of the Code.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or similar transaction, the board of directors will make appropriate adjustments to (1) the number of shares

reserved under the ESPP, (2) the maximum number of shares by which the share reserve may increase automatically each year and (3) the number of shares and purchase price of all outstanding purchase rights.

Corporate Transactions. In the event of certain significant corporate transactions, including the consummation of: (1) a sale of all our assets, (2) the sale or disposition of 90% of our outstanding securities, (3) a merger or consolidation where we do not survive the transaction and (4) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within ten business days prior to such corporate transaction, and such purchase rights will terminate immediately.

Plan Amendments, Termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances any such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Director Compensation

Historically, neither we nor Kura has paid cash or equity compensation to directors for their service on the board of directors. In 2014, we did not have any non-employee directors. We have reimbursed and will continue to reimburse all of our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors.

Our board of directors expects to adopt a compensation policy that is applicable to all of our non-employee directors.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table presents information regarding Kura's equity compensation plans as of December 31, 2014. There are no equity compensation plans that have not been approved by Kura's stockholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(1) (c)
Equity compensation plans approved by stockholders:			
2014 Equity Incentive Plan	— (2)	$ —	1,113,000
Equity compensation plans not approved by stockholders:			
None			

(1) Does not reflect the adjustment in the number of shares as a result of the Merger.
(2) Under the Kura 2014 Equity Incentive Plan, Kura has granted restricted stock awards covering 9,887,000 shares of its common stock.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Since January 1, 2012, we and Kura have engaged in the following transactions with our respective directors, directors-elect, executive officers and holders of more than 5% of voting securities, which we refer to as principal stockholders, and affiliates or immediate family members of our respective directors, directors-elect, executive officers and principal stockholders, other than compensation arrangements, which are described in the section above titled "Executive Officer and Director Compensation." We believe that all of these transactions were on terms as favorable as could have been obtained from unrelated third parties.

As described above, the following executive officers and directors held the following positions at Kura prior to the Merger:

- Troy Wilson, Ph.D., J.D., our President and Chief Executive Officer and chairman of our board of directors, was the President and Chief Executive Officer and a member of the board of directors of Kura prior to the Merger.
- Heidi Henson, our Chief Financial Officer and Secretary, was the Chief Financial Officer and Secretary of Kura prior to the Merger.
- Yi Liu, Ph.D., our Chief Scientific Officer, was the Chief Scientific Officer of Kura prior to the Merger.
- Antonio Gualberto, M.D., Ph.D., our Chief Medical Officer, was the Chief Medical Officer of Kura prior to the Merger.
- Annette North, our Senior Vice President, General Counsel, was the Senior Vice President, General Counsel of Kura prior to the Merger.
- Pingda Ren, Ph.D., our Senior Vice President, Chemistry and Pharmaceutical Sciences, was the Senior Vice President, Chemistry and Pharmaceutical Sciences of Kura prior to the Merger.

Employment Arrangements

We currently have written employment agreements with our executive officers. For information about our employment agreements with our named executive officers, refer to "Executive Officer and Director Compensation— Agreements with our Named Executive Officers."

Convertible Note Financings

In October 2014, Kura entered into a note purchase agreement with Araxes pursuant to which Kura issued to Araxes a convertible promissory note in aggregate principal amount of $2.0 million, or the October 2014 note. Araxes is affiliated with the following director and executive officers of us and Kura: Troy Wilson, Ph.D., J.D., Heidi Henson, Yi Liu, Ph.D., Antonio Gualberto, M.D., Ph.D., Pingda Ren, Ph.D. and Annette North. The October 2014 note accrued interest at a rate of 8% per annum, compounded annually.

In January 2015, Kura entered into a note purchase agreement with certain investors, including certain executive officers and directors or entities affiliated with such individuals, pursuant to which Kura issued $3.0 million aggregate principal amount of convertible notes, or the January 2015 notes. The January 2015 notes accrued interest at a rate of 8% per annum, compounded annually.

The holders of the January 2015 notes included the following related parties:

Participants	Aggregate Principal Amount of Notes Converted
Directors and Executive Officers	
Troy Wilson, Ph.D., J.D.(1)	$ 75,000
Heidi Henson	$ 35,000
Pingda Ren, Ph.D.	$ 150,000
Antonio Gualberto, M.D., Ph.D.	$ 250,000

(1) Dr. Wilson participated through his affiliated family trust, Red Fish Blue Fish Revocable Trust, dated December 31, 2012.

The October 2014 note and the January 2015 notes converted into shares of Kura common stock in connection with the Private Placement discussed in "Common Stock Issued in Private Placement in 2015" below.

Asset Purchase Agreement and Convertible Note

In December 2014, Kura entered into an asset purchase agreement with Araxes. For information about the asset purchase agreement with Araxes, refer to "Description of the Business of Kura Oncology, Inc. — License and Asset Purchase Agreements."

In connection with the asset purchase agreement, Kura issued to Araxes a convertible promissory note in aggregate principal amount of $500,000, or the December 2014 note. The December 2014 note accrued interest at a rate of 8% per annum. The December 2014 note converted into shares of Kura common stock in connection with the Private Placement discussed in "Common Stock Issued in Private Placement in 2015" below.

Common Stock Issued in Private Placement in 2015

The following table summarizes Kura's sales of its common stock on March 6, 2015 in the Private Placement to its executive officers, directors, directors-elect and beneficial owners of more than five percent of its voting securities. The purchase price of $3.16 per share (as adjusted to $6.32 after giving effect to the Merger) was the fair market value as determined by arms-length negotiations between sophisticated investors and Kura's management and board of directors. In addition, the aggregate principal amount plus accrued interest of the October 2014 note, the December 2014 note and the January 2015 notes was converted into shares of Kura common stock at the purchase price of $3.16 per share (as adjusted to $6.32 after giving effect to the Merger). Kura received no additional consideration from the conversion of the October 2014 note, the December 2014 and the January 2015 notes.

Participants	Purchase Price of Common Stock	Principal Plus Accrued Interest of Convertible Notes Through Date of Conversion(1)	Shares of Common Stock Issued(2)
Greater than 5% stockholders			
Entities affiliated with FMR LLC(3)	$ 11,670,000	$ —	3,693,038
EcoR1 Capital, LLC(4)	$ 9,164,000	$ —	2,900,000
ARCH Venture Fund VIII, L.P.	$ 8,500,002	$ —	2,689,874
Directors, Directors-Elect and Executive Officers			
Troy Wilson, Ph.D., J.D.	$ —	$2,646,364(5)	837,454(6)
Heidi Henson	$ —	$ 35,368	11,192
Pingda Ren, Ph.D.	$ —	$ 151,578	47,966
Antonio Gualberto, M.D., Ph.D.	$ —	$ 252,630	79,946
Robert E. Hoffman	$ 60,002	$ —	18,988

(1) Per the terms of the convertible promissory notes, with respect to the conversion, interest was calculated through February 28, 2015. Interest accruing after February 28, 2015 was paid in cash.
(2) Does not reflect the adjustment in the number of shares as a result of the Merger.
(3) Includes (a) 3,041,174 shares purchased by Fidelity Select and (b) 651,864 shares purchased by Fidelity Advisor.
(4) Includes (a) 1,836,000 shares purchased by EcoR1 Capital Fund Qualified, L.P. and (b) 1,064,000 shares purchased by EcoR1 Capital Fund, L.P.
(5) Includes (a) $75,789 from a note owned by Dr. Wilson's affiliated family trust, Red Fish Blue Fish Revocable Trust, dated December 31, 2012 and (b) $2,570,575 from notes owned by Araxes.
(6) Includes (a) 23,982 shares purchased by Dr. Wilson's affiliated family trust, Red Fish Blue Fish Revocable Trust, dated December 31, 2012 and (b) 813,472 shares purchased by Araxes.

At the Effective Time of the Merger, on March 6, 2015, each share of Kura common stock outstanding immediately prior to the Effective Time was exchanged for 0.5 shares of our common stock. The following table summarizes the exchange of the

outstanding shares of Kura common stock at the Effective Time by our executive officers, directors, directors-elect and beneficial owners of more than five percent of our voting securities.

Participants	Number of Shares of Kura Common Stock Held Immediately Prior to Exchange	Number of Shares of Our Common Stock Held Immediately Following Exchange
Greater than 5% stockholders		
Entities affiliated with FMR LLC(1)	3,693,038	1,846,519
EcoR1 Capital, LLC(2)	2,900,000	1,450,000
ARCH Venture Fund VIII, L.P.	2,689,874	1,344,937
Directors, Directors-Elect and Executive Officers		
Troy Wilson, Ph.D., J.D.(3)	4,337,454	2,168,727
Heidi Henson(4)	511,192	255,596
Yi Liu, Ph.D.(5)	1,500,000	749,999
Antonio Gualberto, M.D., Ph.D.	679,946	339,973
Annette North	187,500	93,750
Pingda Ren, Ph.D.(6)	1,547,966	773,982
Robert E. Hoffman	18,988	9,494

(1) Consists of (a) 3,041,174 shares of Kura common stock owned by Fidelity Select, which were exchanged for 1,520,587 shares of our common stock, and (b) 651,864 shares of Kura common stock owned by Fidelity Advisor, which were exchanged for 325,932 shares of our common stock.

(2) Consists of (a) 1,836,000 shares of Kura common stock owned by EcoR1 Capital Fund Qualified, L.P., which were exchanged for 918,000 shares of our common stock, and (b) 1,064,000 shares of Kura common stock owned by EcoR1 Capital Fund, L.P., which were exchanged for 532,000 shares of our common stock.

(3) Consists of (a) 25,000 shares of Kura common stock owned by the 2013 *If I Ran the Circus* Irrevocable Trust for the benefit of Aidan Eliasson, a trust for the benefit of Dr. Wilson's minor child, which were exchanged for 12,500 shares of our common stock, (b) 25,000 shares of Kura common stock owned by the 2013 *If I Ran the Circus* Irrevocable Trust for the benefit of Ethan Eliasson, a trust for the benefit of Dr. Wilson's minor child, which were exchanged for 12,500 shares of our common stock, (c) 3,473,982 shares of common stock owned by *Red Fish Blue Fish* Revocable Trust, dated December 31, 2012, which were exchanged for 1,736,991 shares of our common stock, and (d) 813,472 shares of common stock owned by Araxes, which were exchanged for 406,736 shares of our common stock. Dr. Wilson is the trustee of *Red Fish Blue Fish* Revocable Trust, dated December 31, 2012 and as such has the dispositive power and control over the securities held by such trust.

(4) Consists of (a) 501,192 shares of common stock owned by Heidi Henson, which were exchanged for 250,596 shares of our common stock, (b) 5,000 shares of common stock owned by Heidi Henson, Custodian for Emily Henson, of which Ms. Henson has dispositive power and control, which were exchanged for 2,500 shares of our common stock and (c) 5,000 shares of common stock owned by Heidi Henson, Custodian for Joshua Henson, of which Ms. Henson has dispositive power and control, which were exchanged for 2,500 shares of our common stock.

(5) Consists of (a) 1,468,750 shares of common stock owned by Yi Liu, Ph.D., which were exchanged for 734,375 shares of our common stock, (b) 15,625 shares of common stock owned by Yi Liu, Custodian for Max Liu, of which Dr. Liu has dispositive power and control, which were exchanged for 7,812 shares of our common stock, and (c) 15,625 shares of common stock owned by Yi Liu, Custodian for Nicholas Liu, of which Dr. Liu has dispositive power and control, which were exchanged for 7,812 shares of our common stock.

(6) Consists of (a) 1,516,716 shares of common stock owned by Pingda Ren, Ph.D., which were exchanged for 758,358 shares of our common stock, (b) 15,625 shares of common stock owned by Pingda Ren, Custodian for Evan T. Ren, of

which Dr. Ren has dispositive power and control, which were exchanged for 7,812 shares of our common stock, and (c) 15,625 shares of common stock owned by Pingda Ren, Custodian for Oliver T. Ren, of which Dr. Ren has dispositive power and control, which were exchanged for 7,812 shares of our common stock.

The Redemption

Immediately following the Effective Time, pursuant to the terms of a Redemption Agreement dated March 6, 2015 by and among us and our then-current stockholders, we completed the closing of a redemption of 5,000,000 shares of our common stock from our then-current stockholders for consideration of $70,000, plus professional costs related to the transaction, not to exceed $30,000. The 5,000,000 shares constituted all of the issued and outstanding shares of our capital stock, on a fully-diluted basis, immediately prior to the Merger.

Registration Rights Agreement

At the closing of the Private Placement, Kura entered into a registration rights agreement with the investors in the Private Placement and also the existing stockholders of Kura who agreed to become parties to certain provisions of the agreement or who choose to become parties in the future, which covers substantially all of our outstanding shares of common stock as of the date of this filing. We assumed the registration rights agreement in connection with the Merger. Pursuant to the registration rights agreement and subject to the rules and regulations of the SEC, we have agreed to file a shelf registration statement covering the resale of the shares of our common stock held by the investors in the Private Placement and the shares of our common stock held by the former stockholders of Kura who are parties to the agreement. We are required to file the shelf registration statement within 60 days of the date of the registration rights agreement (May 5, 2015). In the event fewer than all of our outstanding shares of common stock can be registered pursuant to the so-called Rule 415 doctrine, priority will be given to the shares issued in the Private Placement.

We will be liable to each investor in the Private Placement (but not to the former stockholders of Kura who are parties to the agreement) for liquidated damages, on a 30-day basis, equal to 1.0% of the aggregate purchase price paid by the investor for the registrable shares of our common stock then held by the investor, subject to an overall cap of 5%, (i) if we fail to file the registration statement on time, (ii) if the registration statement is not declared effective within 120 days from the date of the registration rights agreement (or 150 days from Closing, if the registration statement is reviewed by the SEC), (iii) if we suspend (subject to limited suspension periods described below) or terminate the registration statement prior to the date which is the earlier of (x) the third anniversary of its effectiveness (or the third anniversary of the date on which all registrable shares (subject to certain limitations) are included therein, if later) and (y) the date on which all of the registrable shares cease to be registrable shares, or (iv) in the event one or more suspensions of the effectiveness of the registration statement exceeds 60 days in the aggregate during any 12-month period. We will be permitted to suspend the registration statement up to two times during any 12-month period provided such suspensions do not exceed 30 consecutive days or 60 days in the aggregate in any 12-month period, and a second suspension does not commence sooner than 30 days after the termination of the first suspension. Any suspension associated with our filing of an annual, periodic or current report, as required by the Exchange Act, will be permitted and will not be counted against the 60 day limitation. Any shares not registered due to the Rule 415 doctrine will not be subject to liquidated damages. Expenses with respect to the filing and effectiveness of such registration statement (but not selling expenses, or underwriter or agent compensation) will be paid by us, including expenses of one counsel for certain of the selling stockholders up to $25,000.

Lock-Up Provisions in Registration Rights Agreement

One of the provisions of the registration rights agreement that is applicable to the former stockholders of Kura who are parties to the agreement, other than the investors in the Private Placement, is a lock-up provision pursuant to which these stockholders agreed, subject to specified exceptions, not to sell, transfer, dispose of, contract to sell, sell any option or contract to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock until the later of (a) 180 calendar days after the date on which our common stock is listed for trading on the New York Stock Exchange, the NYSE-Mkt, or the NASDAQ Stock Market or (b) the date that is twelve (12) months after the Closing (March 6, 2016). These lock-up provisions will not apply to, among other things, shares of common stock acquired in connection with any follow-on securities offerings by us or in open market transactions, or upon the exercise of stock options granted pursuant to our equity incentive plans, so long as the shares acquired upon exercise remain subject to the lock-up provisions in the agreement, or certain gifts and other transfers for estate-planning purposes or by stockholders who are entities to their limited partners, members or stockholders, as specified in the agreement. In the event that a former stockholder of Kura was also an investor in the Private Placement, then these lock-up provisions in the agreement will only apply with respect to the shares held by such stockholder that were not purchased in the Private Placement. Under the registration rights agreement, the investors in the Private Placement agreed, subject to specified exceptions, not to sell, transfer, dispose of, contract to sell, sell any option or contract to purchase, or otherwise transfer or

dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock until the earlier of (a) the date on which our common stock is listed for trading on the OTC Bulletin Boards, OTCQB, OTCQX, the New York Stock Exchange, the NYSE-Mkt, or the NASDAQ Stock Market or (b) 180 calendar days following the date of the closing of the Private Placement. Certain investors in the Private Placement agreed under the Registration Rights Agreement to continue to hold at least 100 shares of our common stock until the date on which our shares are listed for trading on the New York Stock Exchange, the NYSE-Mkt, or the NASDAQ Stock Market.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and certain of our officers. The indemnification agreements, our pending amended and restated certificate of incorporation and our amended and restated bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See “Indemnification of Directors and Officers.”

Indemnity Agreement

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

Sublease Agreement

In August 2014, Kura entered into a sublease agreement with Wellspring Biosciences LLC, or Wellspring, a wholly-owned subsidiary of Araxes, which was amended in December 2014. For information about our sublease with Wellspring, refer to “Description of the Business of Kura Oncology, Inc. — Facilities.”

Services Agreements

In October 2014, Kura entered into a services agreement with Wellspring. Under the services agreement, Kura pays Wellspring for the provision of various services including research and development services.

In October 2014, Kura entered into a management services agreement with Araxes, under which Araxes pays Kura a fixed fee of $100,000 per month for the provision of management services including executive management services, general administrative services, financial and tax related services, development of intellectual property and collaboration services.

Policy for Approval of Related Person Transactions

We do not currently have a policy for the review and approval of related person transactions. We intend to adopt such a policy when we adopt an audit committee charter and establish an audit committee, which we expect will be responsible for reviewing and approving all transactions in which we are a participant and in which any parties related to us, including our executive officers, our directors, beneficial owners of more than 5% of our securities, immediate family members of the foregoing persons and any other persons whom our board of directors determines may be considered related parties under Item 404 of Regulation S-K, has or will have a direct or indirect material interest.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

There is not currently, and there has never been, any market for any of our securities. Our securities are not eligible for trading on any national securities exchange and are not quoted for sale on any over-the-counter markets, including the Over-the-Counter Bulletin Board.

As of March 6, 2015, after giving effect to the Merger (including the Redemption) and the Private Placement, we had 14,508,177 outstanding shares of common stock held by 357 holders of record and no outstanding shares of preferred stock.

We have never repurchased any of our equity securities.

DESCRIPTION OF CAPITAL STOCK

The following statements are qualified in their entirety by reference to the detailed provisions of our certificate of incorporation, pending amended and restated certificate of incorporation and amended and restated bylaws.

Capital Structure

We currently have authorized capital stock of 110,000,000 shares, of which 100,000,000 are designated as common stock, par value $0.0001 per share, and 10,000,000 shares are designated as preferred stock, par value $0.0001 per share. Under our amended and restated certificate of incorporation approved by our board of directors and stockholders prior to the Merger, which we expect to file 20 days after filing with the SEC and mailing to such stockholders a definitive Schedule 14C reporting the adoption of the amended and restated certificate of incorporation, we will have authorized capital stock consisting of 210,000,000 shares, of which 200,000,000 will be designated as common stock, par value $0.0001 per share, and 10,000,000 shares will be designated as preferred stock, par value $0.0001 per share.

As of March 6, 2015, after giving effect to the Merger (including the Redemption) and the Private Placement, 14,508,177 shares of our common stock and no shares of our preferred stock were issued and outstanding.

Common Stock

The holders of our common stock are entitled to one vote per share on matters on which our stockholders vote. Subject to any preferential dividend rights of any outstanding shares of preferred stock, holders of our common stock are entitled to receive dividends, if declared by our board of directors, out of funds that we may legally use to pay dividends. If we liquidate or dissolve, holders of our common stock are entitled to share ratably in our assets once our debts and any liquidation preference owed to any then-outstanding preferred stockholders are paid. Our restated certificate of incorporation does not provide our common stock with any redemption, conversion or preemptive rights.

Preferred Stock

As of March 6, 2015, no shares of our preferred stock are currently outstanding. If we issue preferred stock in the future, such preferred stock may have priority over common stock with respect to dividends and other distributions, including the distribution of assets upon liquidation. Our board of directors has the authority, without further stockholder authorization, to issue from time to time up to 10,000,000 shares of preferred stock in one or more series and to fix the terms, voting rights, designations, preferences, limitations or restrictions of each series. Although we have no present plans to issue any shares of preferred stock, the issuance of shares of preferred stock, or the issuance of rights to purchase such shares, could decrease the amount of earnings and assets available for distribution to the holders of common stock, could adversely affect the rights and powers, including voting rights, of the common stock, and could have the effect of delaying, deterring or preventing a change of control of us or an unsolicited acquisition proposal.

Dividend Policy

We have never paid cash dividends on any of our capital stock and we currently intend to retain our future earnings, if any, to fund the development and growth of our business. We do not intend to pay cash dividends to holders of our common stock in the foreseeable future.

Registration Rights

On March 6, 2015, Kura entered into a registration rights agreement with the investors in the Private Placement and also the existing stockholders of Kura who agreed to become parties to certain provisions of the agreement or who choose to become parties in the future, which covers substantially all of our outstanding shares of common stock. We assumed the registration rights agreement in connection with the Merger.

The holders of an aggregate of 14,482,070 shares of our common stock, or their permitted transferees, are entitled to rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the initial registration statement, except for shares held by affiliates.

Resale Registration Rights

Pursuant to the registration rights agreement and subject to the rules and regulations of the SEC, we have agreed to file a shelf registration statement covering the resale of the shares of our common stock held by the investors in the Private Placement and the shares of our common stock held by the former stockholders of Kura who are parties to the agreement. We are required to file the shelf registration statement within 60 days of the date of the registration rights agreement (May 5, 2015). In the event fewer than all of our outstanding shares of common stock can be registered pursuant to the so-called Rule 415 doctrine, priority will be given to the shares issued in the Private Placement.

Registration of these shares under the Securities Act would result in the shares becoming saleable under the Securities Act immediately upon the effectiveness of such registration. Any sales of securities by holders of these shares could adversely affect the trading prices, if any, of our common stock.

We will be liable to each investor in the Private Placement (but not to the former stockholders of Kura who are parties to the agreement) for liquidated damages, on a 30-day basis, equal to 1.0% of the aggregate purchase price paid by the investor for the registrable shares of our common stock then held by the investor, subject to an overall cap of 5%, (i) if we fail to file the registration statement on time, (ii) if the registration statement is not declared effective within 120 days from the date of the registration rights agreement (July 4, 2015), or within 150 days from the registration rights agreement (August 3, 2015) if the registration statement is reviewed by the SEC, (iii) if we suspend (subject to limited blackout periods described below) or terminate the registration statement prior to the date which is the earlier of (x) the third anniversary of its effectiveness (or the third anniversary of the date on which all registrable shares (subject to certain limitations) are included therein, if later) and (y) the date on which all of the registrable shares cease to be registrable shares, or (iv) in the event one or more suspensions of the effectiveness of the registration statement exceeds 60 days in the aggregate during any 12-month period. We will be permitted to suspend the registration statement one or more times during any 12-month period provided such suspensions do not exceed 30 consecutive days or 60 days in the aggregate in any 12-month period.

Form S-3 Demand Registration Rights

Pursuant to the registration rights agreement, at any time after we become eligible to file a registration statement on Form S-3, subject to specified limitations set forth in the registration rights agreement, the holders of a specified percentage of the registrable shares of common stock then outstanding may request that we register on Form S-3 all or a portion of the registrable shares.

“Piggyback” Registration Rights

Pursuant to the registration rights agreement, if we propose to register any of our common stock in a firm commitment underwritten offering, the holders of registrable shares of our common stock will be entitled to notice of the registration and have the right to require us to register all or a portion of the registrable shares then held by them, subject to our right and the right of our underwriters to reduce the number of shares proposed to be registered in view of market conditions.

Expenses of Registration

We have agreed to pay all fees and expenses relating to the initial registration statement, as well as all Form S-3 demand registrations and piggyback registrations, including (i) up to $25,000 in fees of one special counsel for certain of the investors in connection with the filing of the initial registration statement and (ii) up to $25,000 in fees of one special counsel for certain of the investors in connection with the filing of one or more registration statements pursuant to the Form S-3 demand and piggyback registration rights.

Expiration of Registration Rights

The resale registration rights described above shall terminate upon the earlier of (1) the date on which all registrable shares have been effectively registered under the Securities Act and disposed of in accordance with such registration statement, and (2) the later of the third anniversary of the date (A) the initial registration statement is declared effective and (B) all registrable shares (subject to certain limitations) have been registered in the initial registration statement.

Anti-takeover Effects of Our Pending Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our pending amended and restated certificate of incorporation and amended and restated bylaws contain certain provisions that may have anti-takeover effects, making it more difficult for or preventing a third party from acquiring control of us or changing our board of directors and management. According to our pending amended and restated certificate of incorporation and amended and restated bylaws, the holders of our common stock do not have cumulative voting rights in the election of our directors. The combination of the present ownership and control of 30.3% of our issued and outstanding common stock by our executive officers, directors and directors-elect as a group and the lack of cumulative voting, makes it more difficult for other stockholders to replace our board of directors or for a third party to obtain control of us by replacing our board of directors.

Delaware Anti-Takeover Law

We are subject to Section 203 of the Delaware General Corporation Law, or Section 203. Section 203 generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- at or subsequent to the time of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of its stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of our outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" as a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock.

Section 203 could prohibit or delay mergers or other takeover or change in control attempts not approved in advance by our board of directors and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Pending Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Provisions of our pending amended and restated certificate of incorporation and amended and restated bylaws may delay or discourage transactions involving an actual or potential change of control or change in our board of directors or our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our pending amended and restated certificate of incorporation and amended and restated bylaws:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change of control);
- provide that the authorized number of directors may be changed only by resolution of our board of directors;
- provide that directors may only be removed, subject to any limitation imposed by law, by the holders of at least 66 $^{2}/_{3}$% of the voting power of all of our then-outstanding shares of the capital stock entitled to vote generally at an election of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent or electronic transmission;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide advance notice in writing, and also specify requirements as to the form and content of a stockholder's notice;
- provide that special meetings of our stockholders may be called only by the chairman of our board of directors, our chief executive officer or by our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies);
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose); and
- provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (3) any action asserting a claim against the us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws, or (4) any action asserting a claim against us governed by the internal affairs doctrine.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of our then outstanding common stock.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, NY 11219.

Recent Sales of Unregistered Securities

Set forth below is information regarding shares of common stock and convertible notes issued by us and by Kura within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us and by Kura for such shares and notes and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed. The number of shares issued prior to the Merger described below in paragraphs A, C and D below do not reflect the exchange of shares in the Merger, which is further described in paragraph E below.

Original Issuances of Stock and Convertible Notes

A. Since August 29, 2014, Kura has issued an aggregate of 9,887,000 shares of Kura restricted common stock to certain founders and investors for aggregate consideration of $14,000.

B. Since October 8, 2014, Kura has issued convertible promissory notes having an aggregate principal amount of $7,500,000 to certain investors. In connection with the Private Placement described in paragraph D below, the principal amount of all outstanding convertible promissory notes, plus accrued interest, converted into Kura common stock on March 6, 2015.

C. On March 6, 2015, immediately prior to the Effective Time, Kura issued 18,971,136 shares of its common stock at a price of $3.16 per share, or an aggregate purchase price of approximately $60.0 million, which included approximately $7.5 million in principal and $0.1 million in accrued interest from the conversion of Kura's then outstanding convertible promissory notes, to investors in the Private Placement. As part of the Private Placement, all outstanding convertible promissory notes, plus accrued interest thereon, described in paragraph B above, were converted into shares of Kura common stock at a price of $3.16 per share. Leerink Partners LLC acted as sole lead placement agent and National Securities Corporation and Livingston Securities LLC acted as co-agents for purposes of the sale of Kura common stock in the Private Placement. Entities affiliated with Leerink Partners LLC purchased an aggregate of 317,704 shares of Kura common stock in the Private Placement on the same terms as the other investors through the conversion of convertible promissory notes.

D. On March 6, 2015, concurrently with the Private Placement, Kura issued an aggregate of 158,226 shares of its common stock as partial consideration for its license agreement, as amended, with the University of Michigan.

E. On March 6, 2015, at the Effective Time, each share of Kura common stock that was issued and outstanding immediately prior to the Effective Time was automatically exchanged for 0.5 shares of our common stock. We issued an aggregate of 14,508,177 shares of our common stock upon such exchange of the outstanding shares of Kura common stock to Kura's stockholders immediately prior to the Effective Time, which included no more than 35 non-accredited investors. In addition, at the Effective Time, we assumed the Kura 2014 Equity Incentive Plan.

Securities Act Exemptions

The offers, sales and issuances of the securities described in paragraph A above were deemed to be exempt from registration pursuant to either Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans or pursuant to Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering. The shares of common stock issued upon the exercise of options are deemed to be restricted securities for purposes of the Securities Act.

The offers, sales and issuances of the securities described in paragraphs B, C, D and E above were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act (or Regulation D promulgated thereunder) as transactions by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access, through employment, business or other relationships, to information about the Registrant.

Shares Eligible for Future Sale

Future sales of substantial amounts of shares of our common stock, including shares issued upon the exercise of outstanding options, if any, in the public market or the possibility of these sales occurring could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As of March 6, 2015, we had outstanding 14,508,177 shares of common stock. All of these shares are restricted securities under Rule 144, in that they were issued in private transactions not involving a public offering.

Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies

Rule 144 is not available for the resale of securities initially issued by companies that are, or previously were, blank check companies like us, to their promoters or affiliates despite technical compliance with the requirements of Rule 144. Rule 144 also is not available for resale of securities issued by any shell companies (other than business combination-related shell companies) or any issuer that has been at any time previously a shell company. The SEC has provided an exception to this prohibition, however, if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;
- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and materials required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, none of our stockholders is currently able to sell shares of our common stock in reliance on Rule 144. Assuming we continue to meet the requirements set forth above, Rule 144 will become available to our stockholders one year after the date of this report. Our stockholders may currently resell their shares of our common stock only pursuant to a registration statement that has been declared effective under the Securities Act or pursuant to another exemption from registration.

Lock-Up Provisions in Registration Rights Agreement

The registration rights agreement contains lock-up provisions applicable to holders of our common stock. See “Certain Relationships and Related Person Transactions—Lock-Up Provisions in Registration Rights Agreement.”

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The disclosures set forth in Item 4.01 below are hereby incorporated by reference into this Item 2.01.

Item 3.02 Unregistered Sales of Equity Securities

The disclosures set forth in Item 2.01 above are hereby incorporated by reference into this Item 3.02.

Item 4.01 Changes in Registrant’s Certifying Accountant

Effective at the Effective Time of the Merger, LWBJ, LLP, or LWBJ, was dismissed as the independent registered public accounting firm that audits the financial statements of the Company. Effective as of the Effective Time, our board of directors engaged Ernst & Young LLP, as the independent registered public accounting firm to audit the Company’s financial statements for the fiscal year ending December 31, 2015.

LWBJ’s audit report on the Company’s financial statements for the fiscal years ended December 31, 2014 and 2013 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2014 and 2013 and the subsequent interim period through the date of LWBJ’s dismissal, there were no disagreements with LWBJ on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of LWBJ, would have caused it to make reference to the subject matter thereof in connection with its report.

During the fiscal years ended December 31, 2014 and 2013 and the subsequent interim period through the date of LWBJ's dismissal, neither the Company nor anyone acting on its behalf consulted Ernst & Young LLP regarding the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on the Company's financial statements.

The Company has provided LWBJ with a copy of this report prior to the filing hereof and has requested that LWBJ furnish to the Company a letter addressed to the Securities and Exchange Commission stating whether LWBJ agrees with the statements made by the Company in this report. LWBJ has furnished such letter, which letter is filed as Exhibit 16.1 hereto, as required by Item 304(a)(3) of Regulation S-K.

Item 5.01 Changes in Control of Registrant

The disclosures set forth in Item 2.01 above are hereby incorporated by reference into this Item 5.01.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

At the Effective Time, John Pappajohn resigned from our board of directors and effective immediately following the Effective Time, Troy E. Wilson, Ph.D., J.D. was appointed to our board of directors, and together with Matthew P. Kinley, constitute our board of directors as of March 6, 2015. Effective upon the eleventh day after we file with the SEC and mail to our former stockholders a Schedule 14f-1 reporting a change in the majority of our directors, our board of directors will be reconstituted by the appointment of Robert E. Hoffman to serve with Dr. Wilson as our directors, and the resignation of Mr. Kinley as director.

Effective immediately following the Merger, our executive management team was also reconstituted by the appointment of Dr. Wilson as our President and Chief Executive Officer; Heidi Henson as our Chief Financial Officer and Secretary; Yi Liu, Ph.D. as our Chief Scientific Officer; Antonio Gualberto, M.D., Ph.D., as our Chief Medical Officer; Annette North as our Senior Vice President, General Counsel; and Pingda Ren, Ph.D., as our Senior Vice President, Chemistry and Pharmaceutical Sciences, effective upon the resignation of Mr. Pappajohn as our President and Mr. Kinley as our Chief Financial Officer and Secretary.

Biographical and other information regarding these individuals is provided under the caption "Management and Directors" in Item 2.01 above, which is incorporated by reference into this Item 5.02.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On March 6, 2015, we filed a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware pursuant to which Kura Oncology, Inc., our newly created wholly-owned subsidiary, merged with and into us with us remaining as the surviving corporation, which we refer to as the Name Change Merger. In connection with the Name Change Merger, and as set forth in the Certificate of Ownership and Merger, we changed our corporate name to "Kura Oncology, Inc." The Certificate of Ownership and Merger is filed herewith as Exhibit 3.4.

Effective March 6, 2015, prior to the Merger, our board of directors and stockholders approved, each by written consent, an amended and restated certificate of incorporation. We intend to prepare and file an information statement on Schedule 14C with the SEC to notify our former stockholders of this action. Twenty days after we mail the information statement, we expect to file the amended and restated certificate of incorporation with the Secretary of State of the State of Delaware. When the amended and restated certificate of incorporation becomes effective, we will have authorized capital stock of 210,000,000 shares, of which 200,000,000 shares will be designated as common stock, par value $0.0001 per share, and of which 10,000,000 shares will be designated as preferred stock, par value $0.0001 per share.

Effective March 6, 2015, prior to the Merger, our board of directors and stockholders approved, each by written consent, our amended and restated bylaws.

Please see the description of the amended and restated certificate of incorporation and amended and restated bylaws in Item 2.01 Completion of Acquisition or Disposition of Assets of this Current Report on Form 8-K in the section titled "Anti-takeover Effects of Our Pending Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws." A copy of the amended and restated certificate of incorporation that we intend to file with the Secretary of State of the State of Delaware is filed herewith as Exhibit 3.2 and a copy of our amended and restated bylaws is filed herewith as Exhibit 3.5, each of which is incorporated hereby by reference.

Item 5.06 Change in Shell Company Status

As described in Item 2.01 above, which is incorporated by reference into this Item 5.06, we ceased being a shell company (as defined in Rule 12b-2 under the Exchange Act) upon completion of the Merger.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired. In accordance with Item 9.01(a), audited financial statements for the year ended December 31, 2014, are filed with this Current Report on Form 8-K as Exhibit 99.1.

(b) Pro Forma Financial Information. In accordance with Item 9.01(b), our unaudited pro forma financial statements are filed with this Current Report as Exhibit 99.2.

(c) Shell Company Transactions. Reference is made to Items 9.01(a) and 9.01(b) and the exhibits referred to therein, which are incorporated herein by reference.

(d) Exhibits. See Exhibit Index following the signature page of this Current Report on Form 8-K, which is incorporated by reference here.

SIGNATURE

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

Dated: March 12, 2015

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson, Ph.D., J.D.
Troy Wilson, Ph.D., J.D.
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated March 6, 2015, by and among the Registrant, Kura Operations, Inc. and Kura Oncology, Inc.
2.2	Agreement and Plan of Merger, dated March 6, 2015, by and between the Registrant and Kura Oncology, Inc., relating to the name change of the Registrant.
3.1	Certificate of Incorporation of the Registrant, as filed with the Secretary of State of the State of Delaware on November 16, 2007 (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form 10 filed with the SEC on February 1, 2008 (File No. 000-54896)).
3.2	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be filed with the Secretary of State of the State of Delaware.
3.3	Certificate of Merger relating to the Merger of Kura Operations, Inc. with and into Kura Oncology, Inc., filed with the Secretary of State of the State of Delaware on March 6, 2015.
3.4	Certificate of Ownership and Merger relating to the merger of Kura Oncology, Inc. with and into the Registrant, filed with the Secretary of State of the State of Delaware on March 6, 2015, relating to the name change of the Registrant.
3.5	Form of Amended and Restated Bylaws of the Registrant.
4.1	Form of Common Stock certificate.
4.2	Registration Rights Agreement, dated as of March 6, 2015, by and among the Kura Oncology, Inc. and the Investors listed on Schedule A thereto.
10.1+	Kura Oncology, Inc. Amended and Restated 2014 Equity Incentive Plan and Forms of Stock Option Agreement, Notice of Exercise and Stock Option Grant Notice thereunder.
10.2+	Form of Restricted Stock Purchase Agreement and Restricted Stock Purchase Award Notice under the Kura Oncology, Inc. Amended and Restated 2014 Equity Incentive Plan.
10.3+	Kura Oncology, Inc. 2015 Employee Stock Purchase Plan.

10.4+	Form of Indemnification Agreement by and between Kura Oncology, Inc. and each of its directors and officers.
10.5+	Executive Employment Agreement, effective as of October 1, 2014, by and between Kura Oncology, Inc. and Troy Wilson, Ph.D., J.D.
10.6*	License Agreement, dated December 18, 2014, by and between Kura Oncology, Inc. and Janssen Pharmaceutica NV.
10.7*	Asset Purchase Agreement, dated December 23, 2014, by and between Kura Oncology, Inc. and Araxes Pharma LLC.
10.8	Sublease, dated August 29, 2014, by and between Kura Oncology, Inc. and Wellspring Biosciences LLC.
10.9	First Amendment to Sublease, dated December 18, 2014, by and between Kura Oncology, Inc. and Wellspring Biosciences LLC.
10.10	Redemption Agreement dated as of March 6, 2015 by and between the Registrant and stockholders of the Registrant listed therein.
10.11	Indemnity Agreement dated as of March 6, 2015 by and among the Registrant, Kura Oncology, Inc. and each of John Pappajohn and Matthew P. Kinley.
16.1	Letter from LWBJ, LLP to the Securities and Exchange Commission, dated March 12, 2015.
21.1	Subsidiaries.
99.1	Audited financial statements of Kura Oncology, Inc. for the period from August 22, 2014 (inception) to December 31, 2014.
99.2	Unaudited pro forma financial statements.
99.3	Press Release, dated March 12, 2015.

+ Indicates management contract or compensatory plan.
* Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

by and among

KURA ONCOLOGY, INC.,

ZETA ACQUISITION CORP. III

AND

KURA OPERATIONS, INC.

March 6, 2015

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement") is entered into as of March 6, 2015, by and among **KURA ONCOLOGY, INC.,** a Delaware corporation (the "Company"), **ZETA ACQUISITION CORP. III**, a Delaware corporation ("Parent"), and **KURA OPERATIONS, INC.**, a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub").

W I T N E S S E T H

WHEREAS, the Boards of Directors of the Company, Parent and Merger Sub have determined that it is in the best interests of such corporations and their respective stockholders to consummate the merger of Merger Sub with and into the Company with the Company as the surviving corporation (the "Merger");

WHEREAS, Parent, as the sole stockholder of Merger Sub, has approved this Agreement, the Merger and the transactions contemplated by this Agreement pursuant to action taken by written consent in accordance with the requirements of the Delaware General Corporation Law ("DGCL") and the bylaws of Merger Sub;

WHEREAS, pursuant to the Merger, among other things, the outstanding shares of common stock of the Company shall be converted into the Merger Consideration (as hereinafter defined) upon the Effective Time (as hereinafter defined); and

WHEREAS, the parties to this Agreement intend that the Merger, taken together with the subsequent merger of the Company with and into Parent, qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that Parent, Merger Sub and the Company will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code.

NOW, THEREFORE, in consideration of the representations, warranties and covenants contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used herein, the following terms shall have the following meanings (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

"2014 Plan" shall have the meaning as set forth in **Section 3.11**.

"Affiliate" has the meaning as defined in Rule 12b-2 promulgated under the Exchange Act, as such regulation is in effect on the date hereof.

"Board of Directors" shall mean the board of directors of the entity specified.

"CCC" shall mean the California Corporations Code.

"Certificate of Merger" shall mean the certificate of merger in substantially the form attached hereto as ***Exhibit A***.

"Closing" shall have the meaning as set forth in **Section 2.1(c)**.

"Closing Date" shall have the meaning as set forth in **Section 2.1(c)**.

"Code" has the meaning ascribed thereto in the preambles to this Agreement.

"Common Stock Exchange Ratio" shall mean one-half (1/2).

"Company Common Stock" means the common stock, par value $0.001, of the Company.

"Company Financial Statements" shall have the meaning as set forth in **Section 3.8**.

"Company Latest Balance Sheet" shall have the meaning as set forth in **Section 3.10**.

"Compensatory Plan" shall mean (i) any employment, consulting, noncompetition, nondisclosure, nonsolicitation, severance, termination, pension, retirement, supplemental retirement, excess benefit, profit sharing, bonus, incentive, deferred compensation, retention, change in control and similar plan, program, arrangement, agreement, policy or commitment, (ii) any compensatory equity interest, stock option, restricted stock, deferred stock, performance stock, stock appreciation, stock unit or other equity or equity-based plan, program, arrangement, agreement, policy or commitment, (iii) any savings, life, health, disability, accident, medical, dental, vision, cafeteria, insurance, flex spending, adoption/dependent/employee assistance, tuition, vacation, paid-time-off, other welfare fringe benefit and other employee compensation plan, program, arrangement, agreement, policy or commitment, including any "employee benefit plan" as defined in Section 3(3) of ERISA and any trust, escrow, funding, insurance or other agreement related to any of the foregoing, in any case, to, under or with respect to which, Parent and/or Merger Sub has any actual or contingent obligation or liability.

"Delaware General Corporation Law" or "DGCL" shall mean Title 8, Chapter 1 of the Delaware Code, as amended.

"Dissenting Shares" shall have the meaning as set forth in **Section 2.5**.

"Effective Date" shall have the meaning ascribed thereto in **Section 2.1(c)**.

"Effective Time" shall have the meaning ascribed thereto in **Section 2.1(c)**.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor law and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean any entity which is (or at any relevant time was), with Parent and/or Merger Sub, a member of a "controlled group of corporations," under "common control" with, or a member of an "affiliated service group," within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"ESPP" shall have the meaning ascribed thereto in **Section 4.4(a)**.

"Evaluation Material" shall have the meaning ascribed thereto in **Section 6.3(a)**.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

"GAAP" shall mean United States generally accepted accounting principles as in effect from time to time.

"Knowledge" means, with respect to an individual, that such individual is actually aware of a particular fact or other matter, with no obligation to conduct any inquiry or other investigation to determine the accuracy of such fact or other matter; provided that such individual is presumed to know what an individual in such individual's position is required to know by applicable law. A Person other than an individual shall be deemed to have Knowledge of a particular fact or other matter if the officers, directors or other management personnel of such Person had Knowledge of such fact or other matter.

"Material Adverse Effect" shall, with respect to an entity, mean a material adverse effect on the business, operations, results of operations or financial condition of such entity on a consolidated basis.

"Merger" shall have the meaning ascribed thereto in the preambles of this Agreement.

"Merger Consideration" means the shares of Parent Common Stock issuable in connection with and by virtue of the Merger to the holders of Company Common Stock, based on the Common Stock Exchange Ratio.

"Parent Common Stock" shall mean the common stock, par value $0.0001 per share, of Parent.

"Parent Financial Statements" shall have the meaning ascribed thereto in **Section 4.5(c)**.

"Parent Form 10" shall have the meaning ascribed thereto in **Section 4.5(a)**.

"Parent Insiders" shall have the meaning ascribed thereto in **Section 4.11**.

"Parent Latest Balance Sheet" shall have the meaning ascribed thereto in **Section 4.17**.

"Parent Previous Filings" shall have the meaning ascribed thereto in **Section 4.5(a)**.

"Parent SEC Filings" shall have the meaning ascribed thereto in **Section 4.5(a)**.

"Parent Stockholders" shall have the meaning ascribed thereto in **Section 4.4(a)**.

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, governmental authority or other entity.

"Post-Merger Indemnity Agreement" shall have the meaning ascribed thereto in **Section 7.3(m)**.

"Pre-Merger Indemnity Agreement" shall have the meaning ascribed thereto in **Section 6.12**.

"Private Placement" shall have the meaning ascribed thereto in **Section 7.1(f)**.

"Purchase Agreement" means the Common Stock Purchase Agreement to be dated on or about the date hereof, by and among the Company, Parent and the investors named therein.

"Redemption Agreement" shall have the meaning ascribed thereto in **Section 4.4(a)**.

"Representatives" shall have the meaning ascribed thereto in **Section 6.3(a)**.

"Requisite Company Stockholder Vote" shall have the meaning ascribed thereto in **Section 3.2**.

"Restated 2014 Plan" shall have the meaning ascribed thereto in **Section 4.4(a)**.

"Returns" shall have the meaning ascribed thereto in **Section 4.9(a)**.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, including the rules and regulations promulgated thereunder.

"Subsidiary" shall, with respect to any Person, mean (i) each corporation in which such Person owns directly or indirectly fifty percent (50%) or more of the voting securities of such corporation and (ii) any other Person in which such Person owns at least a majority voting interest, and shall, in each case, unless otherwise indicated, be deemed to refer to both direct and indirect subsidiaries of such Person.

"Surviving Company" shall have the meaning ascribed thereto in **Article II**.

"Tax" or "Taxes" (and, with correlative meaning, "Taxable" and "Taxing") shall mean (a) any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, environmental taxes, customs duties, capital stock, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, workers' compensation, employment- related insurance, real property, personal property, sales, use, transfer, value added, alternative or add-on minimum or other governmental tax, fee, assessment or charge of any kind whatsoever including any interest, penalties or additions to any tax or additional amounts in respect of the foregoing; and (b) any liability for the payment of any amounts of the type described in the immediately preceding clause (a) as a result of being a member of an affiliated, combined, consolidated or unitary group for any period, as a result of any tax sharing or tax allocation agreement, arrangement or understanding, or as a result of being liable for another Person's taxes as a transferee or successor, by contractual obligation or otherwise.

"Unpaid Parent Legal Fees" shall have the meaning ascribed thereto in **Section 4.17**.

ARTICLE II
MERGER

Subject to the satisfaction or waiver of the conditions set forth in **Article VII**, at the Effective Time, (i) Merger Sub will merge with and into the Company, (ii) the separate corporate existence of Merger Sub shall cease, and (iii) the Company will remain the surviving corporation in the Merger as a wholly-owned subsidiary of Parent. The term "Surviving Company" as used herein shall mean the Company, as a wholly-owned subsidiary of Parent after giving effect to the Merger. The Merger will be effected pursuant to the Certificate of Merger in accordance with the provisions of, and with the effect provided in, Section 251 of the DGCL.

2.1 Effects of the Merger.

(a) At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DGCL and, to the extent applicable, the CCC. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, except as provided herein, all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

(b) Parent, the Company and Merger Sub, respectively, shall each use its best efforts to take all such action as may be necessary or appropriate to effectuate the Merger in accordance with the DGCL at the Effective Time. If at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Company with full right, title and possession to all properties, rights, privileges, immunities, powers and franchises of either the Company or Merger Sub, the officers of the Surviving Company are fully authorized in the name of Parent, the Company and Merger Sub or otherwise to take, and shall take, all such lawful and necessary action.

(c) Subject to the provisions of **Article VII** and **Article VIII** hereof, the closing (the "Closing") of the transactions contemplated hereby shall take place on or before March 31, 2015 (the "Closing Date"), at the offices of Cooley LLP, 4401 Eastgate Mall, San Diego, CA 92121 or such other time and place as the Company and Parent mutually agree at the earliest practicable time after the satisfaction or waiver of the conditions in Article VII, but in no event later than three (3) business days after all such conditions have been satisfied or waived, or on such other date as may be mutually agreed upon by the parties hereto. On the Closing Date, or as soon thereafter as practicable, to effect the Merger, the parties hereto will cause the Certificate of Merger to be filed with the Secretary of State of the State of Delaware in accordance with the DGCL. The Merger shall be effective when the filing of the Certificate of Merger is accepted by the Secretary of State of the State of Delaware (the "Effective Time"). As used herein, the term "Effective Date" shall mean the date on which the Effective Time occurs.

2.2 Effect on Company Common Stock and Merger Sub Common Stock.

(a) Common Stock. To effectuate the Merger, and subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of Parent, the Company, Merger Sub or the holders of any of the following securities, the following shall occur:

(i) Company Common Stock. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares cancelled and extinguished pursuant to this **Section 2.2** and Dissenting Shares) shall automatically be converted into and exchangeable for 0.5 fully paid and nonassessable shares of Parent Common Stock. If any shares of Company Common Stock outstanding immediately prior to the Effective Time are unvested or are subject to a repurchase option, risk of forfeiture or other condition under any applicable restricted stock purchase agreement or other agreement with the Company, then the shares of Parent Common Stock issued in exchange for such shares of Company Common Stock will also be unvested and/or subject to the same repurchase option, risk of forfeiture or other condition, and the certificates representing such shares of Parent Common Stock may accordingly be marked with appropriate legends;

(ii) Company Treasury Shares. All shares of Company Common Stock held at the Effective Time by the Company as treasury stock, if any, will be cancelled and extinguished and no payment will be made with respect to those shares;

(iii) Company Common Stock Owned by Merger Sub or Parent. Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time and owned by Merger Sub or Parent, if any, will be cancelled and extinguished without any conversion thereof and no payment shall be made with respect thereto; and

(iv) Merger Sub Common Stock. All shares of common stock, par value $0.001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time will be converted into and become one validly issued, fully paid and nonassessable share of common stock of the Surviving Company.

(b) Adjustments to Merger Consideration. The Merger Consideration shall be adjusted to reflect appropriately the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into or exercisable or exchangeable for Parent Common Stock or Company Common Stock), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with respect to Parent Common Stock or Company Common Stock occurring or having a record date on or after the date hereof and prior to the Effective Time.

(c) Fractional Shares. No fraction of a share of Parent Common Stock will be issued by virtue of the Merger, and no certificates or scrip for any fractional shares shall be issued. Any holder of Company Common Stock who would otherwise be entitled to receive a fraction of a share of Parent Common Stock (after aggregating all fractional shares of Parent Common Stock issuable to such holder) shall, in lieu thereof, receive one whole share of Parent Common Stock.

2.3 Rights of Holders of Certificates Evidencing Company Common Stock. On and after the Effective Time and until surrendered for exchange, each outstanding stock certificate that immediately prior to the Effective Time represented shares of Company

Common Stock (except Dissenting Shares and shares cancelled or extinguished pursuant to **Section 2.2**) shall be deemed for all purposes, to evidence ownership of and to represent the number of whole shares of Parent Common Stock into which such shares of Company Common Stock shall have been converted pursuant to **Section 2.2** above. The record holder of each such outstanding certificate representing shares of Company Common Stock, shall, after the Effective Time, be entitled to vote the shares of Parent Common Stock into which such shares of Company Common Stock shall have been converted on any matters on which the holders of record of Parent Common Stock, as of any date subsequent to the Effective Time, shall be entitled to vote. In any matters relating to such certificates of Company Common Stock, Parent may rely conclusively upon the record of stockholders maintained by the Company containing the names and addresses of the holders of record of Company Common Stock at the Effective Time.

2.4 Procedure for Exchange of Company Common Stock.

(a) After the Effective Time, holders of certificates theretofore evidencing outstanding shares of Company Common Stock (except Dissenting Shares and shares cancelled or extinguished pursuant to **Section 2.2**), upon surrender of such certificates to the Secretary of Parent, shall be entitled to receive certificates representing the number of shares of Parent Common Stock into which shares of Company Common Stock theretofore represented by the certificates so surrendered are exchangeable as provided in **Section 2.2** hereof. Parent shall not be obligated to deliver any such shares of Parent Common Stock to which any former holder of shares of Company Common Stock is entitled until such holder surrenders the certificate or certificates representing such shares. Upon surrender, each certificate evidencing Company Common Stock shall be cancelled. If there is a transfer of Company Common Stock ownership which is not registered in the transfer records of the Company, a certificate representing the proper number of shares of Parent Common Stock may be issued to a person other than the person in whose name the certificate so surrendered is registered if: (x) upon presentation to the Secretary of Parent, such certificate shall be properly endorsed or otherwise be in proper form for transfer, (y) the person requesting such payment shall pay any transfer or other Taxes required by reason of the issuance of shares of Parent Common Stock to a person other than the registered holder of such certificate or establish to the reasonable satisfaction of Parent that such Tax has been paid or is not applicable, and (z) the issuance of such Parent Common Stock shall not, in the sole discretion of Parent, violate the requirements of the Regulation D "safe harbor" of the Securities Act with respect to the private placement of Parent Common Stock that will result from the Merger. Notwithstanding anything to the contrary contained herein, Parent shall deliver to any investor affiliated with Fidelity Management & Research Company (collectively, "Fidelity") certificates representing the shares of Parent Common Stock to which Fidelity is entitled prior to surrender by Fidelity of the certificates representing the shares of Company Common Stock held by Fidelity.

(b) All shares of Parent Common Stock issued upon the surrender for exchange of Company Common Stock, in accordance with the above terms and conditions shall be deemed to have been issued and paid in full satisfaction of all rights pertaining to such shares of Company Common Stock.

(c) Any shares of Parent Common Stock issued in the Merger will not be transferable except (1) pursuant to an effective registration statement under the Securities Act or (2) upon receipt by Parent of a written opinion of counsel for the holder reasonably

satisfactory to Parent to the effect that the proposed transfer is exempt from the registration requirements of the Securities Act and applicable state securities laws. Restrictive legends shall be placed on all certificates representing shares of Parent Common Stock, issued in the Merger, substantially as follows:

NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS IN EFFECT THEREUNDER AND ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS (SUCH FEDERAL AND STATE LAWS, THE "SECURITIES LAWS") OR (B) IF THE CORPORATION HAS BEEN FURNISHED WITH AN OPINION OF COUNSEL FOR THE HOLDER, WHICH OPINION AND COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE CORPORATION, TO THE EFFECT THAT SUCH TRANSFER, SALE,ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM THE PROVISIONS OF THE SECURITIES LAWS.

(d) In the event any certificate for Company Common Stock or any certificate or similar instrument evidencing any other security of the Company shall have been lost, stolen or destroyed, Parent shall issue in exchange for such lost, stolen or destroyed certificate, promptly following its receipt of an affidavit of that fact by the holder thereof, such shares of Parent Common Stock, as may be required pursuant to this Agreement; provided, however, that Parent, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost, stolen or destroyed certificate to deliver a bond in such sum as it may direct as indemnity against any claim that may be made against Parent or any other party with respect to the certificate alleged to have been lost, stolen or destroyed.

2.5 Dissenting Shares. Shares of Company Common Stock held by stockholders of the Company who have properly exercised and preserved appraisal rights with respect to those shares in accordance with Section 262 of the DGCL or dissenter rights for such shares in accordance with Chapter 13 of the CCC (any such shares, "Dissenting Shares") shall not be converted into or represent a right to receive shares of Parent Common Stock, pursuant to Section 2.2 above, but the holders thereof shall be entitled only to such rights as are granted by Section 262 of the DGCL or Chapter 13 of the CCC. Each holder of Dissenting Shares who becomes entitled to payment for such shares pursuant to Section 262 of the DGCL or Chapter 13 of the CCC shall receive payment therefor from the Surviving Company in accordance with such laws; provided, however, that if any such holder of Dissenting Shares shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's appraisal or dissenter rights under applicable law, such holder shall forfeit such appraisal or dissenter rights, as applicable, and each such share shall thereupon be deemed to have been cancelled, extinguished and exchanged, as of the Effective Time, into and represent the right to receive from Parent shares of Parent Common Stock, as provided in **Section 2.2** above. Any payments in respect of Dissenting Shares will be deemed made by the Surviving Company.

2.6 Certificates of Incorporation; Bylaws.

(a) The certificate of incorporation of the Surviving Company shall be amended and restated as of the Effective Time to be identical to the certificate of incorporation of Merger Sub as in effect immediately prior to the Effective Time, until thereafter amended as provided by the DGCL and such certificate of incorporation.

(b) The bylaws of the Surviving Company shall be amended and restated as of the Effective Time to be identical to the bylaws of Merger Sub as in effect immediately prior to the Effective Time, until thereafter amended as provided by the DGCL and such bylaws.

2.7 Directors and Officers of the Surviving Corporation. From and after the Effective Time, the directors and officers of the Surviving Company shall be the persons who were directors and officers of the Company immediately prior to the Effective Time, respectively. These directors and officers of the Surviving Company shall hold office for the term specified in, and subject to the provisions contained in, the certificate of incorporation and bylaws of the Surviving Company and applicable law.

2.8 Directors and Officers of Parent.

(a) At or prior to the Closing, the Board of Directors of Parent shall, subject to compliance with Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, take the following action, to be effective upon the Effective Time: (i) elect to the Board of Directors of Parent the persons who were directors of the Company immediately prior to the Closing; and (ii) appoint as the officers of Parent those persons who were the officers of the Company immediately prior to the Closing, or, in either case with regard to clauses (i) and (ii), such other persons designated by the Company. Except as set forth in **Section 2.8(b)**, all of the persons serving as directors of Parent immediately prior to the Closing shall resign immediately following the election of the new directors, and all of the persons serving as officers of Parent immediately prior to the Closing shall resign immediately following the appointment of the new officers, all subject to compliance with Rule 14f-1 promulgated under the Exchange Act. Subject to applicable law, Parent has taken or shall take all action reasonably requested by the Company, but consistent with the certificate of incorporation and bylaws of Parent, that is reasonably necessary to effect any such election or appointment of the designees of the Company to Parent's Board of Directors, including mailing to Parent's stockholders an information statement containing the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company has supplied Parent all information with respect to it and its nominees, officers, directors and Affiliates required by such Section 14(f) and Rule 14f-1.

(b) In the event that the Board of Directors of Parent cannot be reconstituted at the Effective Time as set forth in **Section 2.8(a)** due to compliance with the time period set forth in Rule 14f-1 promulgated under the Exchange Act, then (i) at or prior to the Closing, the Board of Directors of Parent shall elect Troy Wilson to the Board of Directors of Parent, effective upon the Effective Time, (ii) all of the persons serving as directors of Parent immediately prior to the Closing, other than Matthew P. Kinley, shall resign immediately following the election of Troy Wilson, and (iii) Matthew P. Kinley shall have executed and delivered to the Company a written resignation from the Board of Directors of Parent effective immediately after the period set forth in Rule 14f-1 promulgated under the Exchange Act shall have expired.

(c) The provisions of this **Section 2.8** are in addition to and shall not limit any rights which the Company or any of its Affiliates may have as a holder or beneficial owner of shares of capital stock of Parent as a matter of law with respect to the election of directors or otherwise. Immediately after the Effective Time, the newly constituted Board of Directors of Parent will appoint the officers of the Company immediately prior to the Effective Time as the officers of Parent. The newly-appointed directors and officers of Parent shall hold office for the term specified in, and subject to the provisions contained in, the certificate of incorporation and bylaws of Parent and applicable law.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Merger Sub as follows except as set forth on the Disclosure Schedule attached as ***Exhibit B*** hereto:

3.1 Organization and Qualification. The Company is, and on the Effective Date will be, a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has the requisite corporate power to carry on its business as now conducted. The copies of the certificate of incorporation and bylaws of the Company that have been made available to Parent prior to the date of this Agreement are correct and complete copies of such documents as in effect as of the date hereof, and shall be in effect on the Effective Date. The Company is, and on the Effective Date will be, licensed or qualified to do business in every jurisdiction in which the nature of its business or its ownership of property requires it to be licensed or qualified, except where the failure to be so licensed or qualified would not have a Material Adverse Effect on the Company or the Surviving Company.

3.2 Authority Relative to this Agreement; Non-Contravention. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company and, except for approval of the Merger and adoption of this Agreement by the affirmative vote of holders of a majority of the outstanding shares of Company Common Stock (the "Requisite Company Stockholder Vote"), which vote will be obtained prior to Closing, no other corporate proceedings on the part of the Company are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming it is a valid and binding obligation of Parent and Merger Sub, constitutes a valid and binding obligation of the Company enforceable in accordance with its terms except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally. Except for (x) approvals under applicable Blue Sky laws and filing of Form D with the SEC, and (y) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of the Company for the consummation by the Company of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals and filings as to which the failure to obtain or make the same would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company or the Surviving Company or adversely affect the consummation of the transactions contemplated hereby.

3.3 No Conflicts. The Company is not subject to, or obligated under, any provision of (a) its certificate of incorporation or bylaws, (b) any agreement, arrangement or understanding, (c) any license, franchise or permit or (d) subject to obtaining the approvals referred to in the next sentence, any law, regulation, order, judgment or decree, which would conflict with, be breached or violated, or in respect of which a right of termination or acceleration or any security interest, charge or encumbrance on any of its assets would be created, by the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby, other than any such conflicts, breaches, violations, rights of termination or acceleration or security interests, charges or encumbrances which, in the aggregate, would not reasonably be expected to result in a Material Adverse Effect on the Company or the Surviving Company.

3.4 Capitalization.

(a) As of the date hereof (and prior to the issuance of shares of Company Common Stock in the Private Placement), the authorized capital stock of the Company consists of 50,000,000 shares of Company Common Stock, of which 9,887,000 shares were issued and outstanding. 8,574,085 of the shares of Company Common Stock outstanding are subject to a repurchase right in favor of the Company. As of the date hereof (and prior to the issuance of shares of Company Common Stock in the Private Placement), the Company also has issued and outstanding convertible promissory notes having an aggregate principal amount of $7,500,000, convertible (together with accrued interest at the time of conversion) into approximately 2,409,740 shares of Company Common Stock at the closing of the Private Placement. The issued and outstanding shares of Company Common Stock are, and at the Effective Time will be, duly authorized, validly issued, fully paid and nonassessable and not issued in violation of any preemptive rights and free from any restrictions on transfer (other than restrictions under the Securities Act or state securities laws) or any option, lien, pledge, security interest, encumbrance, restriction or charge of any kind. Other than in connection with the Private Placement, the Company has, and at the Effective Time will have, no other equity securities or securities containing any equity features authorized, issued or outstanding. Other than the Private Placement or as described in this **Section 3.4**, there are no commitments, agreements or other rights or arrangements existing which provide for the sale or issuance of Company Common Stock or any other securities by the Company of any kind and there are no rights, subscriptions, warrants, options, conversion rights or agreements of any kind outstanding to purchase or otherwise acquire from the Company any shares of Company Common Stock or other securities of the Company of any kind, and, there will not be any such agreements prior to or at the Effective Date. There are, and on the Effective Date there will be, no commitments, agreements or other obligations (contingent or otherwise) which may require the Company to repurchase or otherwise acquire any shares of its Company Common Stock or other securities.

(b) **Schedule 3.4(b)** contains a list of the names of the owners of record as of the date of this Agreement of all issued and outstanding shares of Company Common Stock and the number of shares of Company Common Stock each of them holds.

(c) Except for the Company's obligations under the Purchase Agreement, the Company does not own, and is not party to any contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other Person. Except as contemplated by this Agreement, the Company is not a party to, and, to the

Company's Knowledge, there do not exist any voting trusts, proxies, or other contracts with respect to the voting of shares of Company Common Stock.

3.5 Litigation. There are no actions, suits, proceedings, orders or investigations pending or, to the Knowledge of the Company, threatened against the Company or its officers, directors, employees or Affiliates, or the nominees for officer or director of Parent after the Effective Time, individually or in the aggregate, at law or in equity, or before or by any federal, state or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, and to the Knowledge of the Company, there is no reasonable basis for any proceeding, claim, action or governmental investigation directly or indirectly involving the Company or its officers, directors, employees, Affiliates or the nominees for officer or director of Parent after the Effective Time, individually or in the aggregate. The Company is not a party to any order, judgment or decree issued by any federal, state or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign.

3.6 Brokers or Finders. Other than Leerink Partners LLC, National Securities Corporation and Livingston Securities LLC, neither the Company nor any of its officers, directors, employees or Affiliates has employed any broker, finder, investment banker or investment advisor or Person performing a similar function, or incurred any liability, for brokerage commissions, finders' fees, investment advisory fees or similar compensation, in connection with the transactions contemplated by this Agreement.

3.7 Subsidiaries. The Company does not have, and on the Effective Date, will not have, any subsidiaries, nor does it have any direct or indirect interest in any other business entity.

3.8 Financial Statements. The Company has made available to Parent its unaudited balance sheet as of December 31, 2014 and the related unaudited statements of income, change in stockholders' equity and cash flows of the Company from its inception through December 31, 2014 (the "Company Financial Statements"). The Company Financial Statements were prepared in accordance with GAAP (except in each case as described in the notes thereto) and on that basis present fairly, in all material respects, the financial position and the results of operations, changes in stockholders' equity, and cash flows of the Company as of the dates of and for the periods referred to in the Company Financial Statements.

3.9 Books and Records. The books of account, minute books, stock record books, and other records of the Company, complete copies of which have been made available to Parent, have been properly kept and contain no inaccuracies except for inaccuracies that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company. At the Closing, all of the Company's records will be in the possession of the Company or its counsel.

3.10 No Undisclosed Liabilities. Except as reflected in the unaudited balance sheet of the Company at December 31, 2014 (the "Company Latest Balance Sheet"), the Company has no material liabilities (whether accrued, absolute, contingent, unliquidated) or otherwise except (i) liabilities which have arisen after the date of the Company Latest Balance Sheet in the ordinary course of business, or (ii) liabilities under this Agreement.

3.11 Absence of Certain Developments. Except as disclosed in the Company Financial Statements or as otherwise contemplated by this Agreement, since the date of the Company Latest Balance Sheet, the Company has conducted its business only in the ordinary course consistent with past practice and there has not occurred or been entered into, as the case may be: (i) any event having a Material Adverse Effect on the Company, (ii) any event that could reasonably be expected to prevent or materially delay the performance of the Company's obligations pursuant to this Agreement, (iii) any material change by the Company in its accounting methods, principles or practices, (iv) any declaration, setting aside or payment of any dividend or distribution in respect of the shares of common stock of the Company or any redemption, purchase or other acquisition of any of the Company's securities, (v) other than in the ordinary course of business consistent with past practice, (a) any increase in the compensation or benefits payable or to become payable to any officers or directors of the Company or (b) the establishment of any bonus, severance, deferred compensation, pension, retirement, profit sharing, stock option, stock purchase or other employee benefit plan of the Company, (vi) other than issuances of stock options pursuant to the Company's 2014 Equity Incentive Plan (the "2014 Plan") (or shares of Company Common Stock in connection with the exercise of any stock options) and in connection with the Private Placement, any issuance, grants or sale of any stock, options, warrants, notes, bonds or other securities, or entry into any agreement with respect thereto by the Company, (vii) other than as contemplated by **Section 3.1** hereof, any amendment to the certificate of incorporation or bylaws of the Company, (viii) other than in the ordinary course of business consistent with past practice, any (w) capital expenditures by the Company, (x) purchase, sale, assignment or transfer of any material assets by the Company, (y) mortgage, pledge or existence of any lien, encumbrance or charge on any material assets or properties, tangible or intangible of the Company, except for liens for Taxes not yet due and such other liens, encumbrances or charges which do not, individually or in the aggregate, have a Material Adverse Effect on the Company or the Surviving Company, or (z) cancellation, compromise, release or waiver by the Company of any rights of material value or any material debts or claims, (ix) any incurrence by the Company of any material liability (absolute or contingent), except for current liabilities and obligations incurred in the ordinary course of business consistent with past practice, (x) damage, destruction or similar loss, whether or not covered by insurance, materially affecting the business or properties of the Company, (xi) other than in connection with the Private Placement and this Agreement, entry into any agreement, contract, lease or license other than in the ordinary course of business consistent with past practice, (xii) any termination, material modification or cancellation of any agreement, contract, lease or license to which the Company is a party or by which it is bound, (xiii) entry by the Company into any loan in excess of $10,000 with any officers or directors of the Company, (xiv) any charitable or other capital contribution by the Company or pledge therefore, (xv) entry by the Company into any transaction of a material nature other than in the ordinary course of business consistent with past practice, or (xvi) any negotiation or agreement by the Company to do any of the things described in the preceding clauses (i) through (xv).

3.12 Vote Required. The Requisite Company Stockholder Vote is the only vote of the holders of any class or series of Company Common Stock necessary to approve the Merger.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub hereby represent and warrant to the Company as follows, except as set forth on the Disclosure Schedule attached as ***Exhibit C*** hereto:

4.1 Organization and Qualification. Parent and Merger Sub each are, and on the Effective Date will be, corporations duly organized, validly existing and in good standing under the laws of the State of Delaware, and each has, and on the Effective Date will have, the requisite corporate power to carry on their respective businesses as now conducted. The copies of the certificate of incorporation and bylaws of each of Parent and Merger Sub that have been made available to the Company on or prior to the date of this Agreement are correct and complete copies of such documents as in effect as of the date hereof, and shall be in effect at the Effective Time. Parent and Merger Sub are, and on the Effective Date, each will be, licensed or qualified to do business in every jurisdiction which the nature of their respective businesses or their respective ownership of properties require each to be licensed or qualified, except where the failure to be so licensed or qualified would not have a Material Adverse Effect on Parent or Merger Sub, individually or in the aggregate.

4.2 Authority Relative to this Agreement; Non-Contravention. Each of Parent and Merger Sub has the requisite corporate power and authority to enter into this Agreement, and to carry out its obligations hereunder. The execution and delivery of this Agreement by Parent and Merger Sub, and the consummation by Parent and Merger Sub of the transactions contemplated hereby have been duly authorized by the Boards of Directors of Parent and Merger Sub. Subject only to the adoption of this Agreement by Parent as the sole stockholder of Merger Sub, with respect to which Parent has taken appropriate action before the execution and delivery of this Agreement, no further corporate proceedings on the part of Parent or Merger Sub are necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby or will otherwise be sought by Parent. This Agreement has been duly executed and delivered by Parent and Merger Sub and, assuming it is a valid and binding obligation of the Company, constitutes a valid and binding obligation of Parent and Merger Sub enforceable in accordance with its terms except as enforcement may be limited by general principles of equity whether applied in a court of law or a court of equity and by bankruptcy, insolvency and similar laws affecting creditors' rights and remedies generally. Except for (x) approvals under applicable Blue Sky laws and the filing of Form D with the SEC and (y) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, no authorization, consent or approval of, or filing with, any public body, court or authority is necessary on the part of Parent or Merger Sub for the consummation by Parent or Merger Sub of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals and filings as to which the failure to obtain or make the same would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent or Merger Sub, or adversely affect the consummation of the transactions contemplated hereby.

4.3 No Conflicts. Neither Parent nor Merger Sub is subject to, or obligated under, any provision of (a) their respective certificates of incorporation or bylaws, (b) any agreement, arrangement or understanding, (c) any license, franchise or permit, nor (d) subject to obtaining the approvals referred to in the next sentence, any law, regulation, order, judgment or decree, which would conflict with, be breached or violated, or in respect of which a right of termination or acceleration or any security interest, charge or encumbrance on any of their respective assets would be created, by the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby, other than any such

conflicts, breaches, violations, rights of termination or acceleration or security interests, charges or encumbrances which, in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Parent or Merger Sub.

4.4 Capitalization.

(a) As of the date hereof, Parent is, and at the Effective Time will be, authorized to issue 100,000,000 shares of Parent Common Stock, and 10,000,000 shares of preferred stock, par value $0.0001 per share, of which 5,000,000 shares of Parent Common Stock and no shares of preferred stock are currently, or immediately prior to the Effective Time will be, issued and outstanding. The issued and outstanding shares of capital stock of Parent are, and at the Effective Time will be, duly authorized, validly issued, fully paid and nonassessable and not issued in violation of any preemptive rights or applicable law and free from any restrictions on transfer (other than restrictions under the Securities Act or state securities laws) or any option, lien, pledge, security interest, encumbrance, restriction or charge of any kind. Parent has, and at the Effective Time will have, no other securities, including equity securities or securities containing any equity features authorized, issued or outstanding. Prior to the Effective Time, the Board of Directors and stockholders of Parent shall have taken all requisite corporate action to (i) assume, approve and adopt the Amended and Restated 2014 Equity Incentive Plan, in substantially the form of ***Exhibit D*** hereto (the "Restated 2014 Plan"), and (ii) approve and adopt the 2015 Employee Stock Purchase Plan, in substantially the form of ***Exhibit E*** hereto (the "ESPP"), each to be effective immediately following the Effective Time, subject to compliance with Section 14(c) of the Exchange Act and the rules and regulations promulgated thereunder. Parent has not at any time granted any stock options, restricted stock, restricted stock units, phantom stock, performance stock or other compensatory equity or equity-linked awards. There are no commitments, obligations, agreements or other rights or arrangements existing which provide for the sale or issuance of capital stock by Parent and there are no rights, subscriptions, warrants, options, conversion rights or agreements of any kind outstanding to purchase or otherwise acquire from Parent any shares of capital stock or other securities of Parent of any kind, and there will not be any of the foregoing prior to or at the Effective Time. Immediately prior to the execution of this Agreement, Parent and each person holding shares of Parent Common Stock on the date hereof (the "Parent Stockholders") have entered into an agreement in the form attached hereto as ***Exhibit F*** (the "Redemption Agreement"), pursuant to which Parent will redeem all shares of Parent Common Stock held by the Parent Stockholders in exchange for aggregate consideration of $70,000. The redemption of such shares shall occur promptly following the Effective Time, but in no event later than one (1) business day after the Effective Time. Other than the shares of Parent Common Stock comprising the Merger Consideration, upon the consummation of such redemption, there will be no other shares of capital stock of Parent outstanding. There are, and on the Effective Date there will be, no agreements or other obligations (contingent or otherwise) which may require Parent to repurchase or otherwise acquire any shares of its capital stock other than the Redemption Agreement.

(b) Parent is not a party to, and, to Parent's Knowledge, there do not exist, any voting trusts, proxies, or other contracts with respect to the voting of shares of capital stock of Parent.

(c) The authorized capital of Merger Sub consists of 1,000 shares of

common stock, par value $0.001 per share, 100 shares of which are, and at the Effective Time will be, issued and outstanding and held of record by Parent as the sole stockholder. The issued and outstanding shares of capital stock of Merger Sub are, and at the Effective Time will be, duly authorized, validly issued, fully paid and nonassessable and have not been issued in violation of any preemptive rights or any applicable law, and free from any restrictions on transfer (other than restrictions under the Securities Act or state securities laws) or any option, lien, pledge, security interest, encumbrance, restriction or charge of any kind. There are no rights, subscriptions, warrants, options, conversion rights or agreements of any kind outstanding to purchase or otherwise acquire from Merger Sub any shares of capital stock or other securities of Merger Sub of any kind, and there will not be any such agreements prior to or at the Effective Time. Merger Sub has not at any time granted any stock options, restricted stock, restricted stock units, phantom stock, performance stock or other compensatory equity or equity-linked awards. There are, and at the Effective Time, there will be, no commitments, agreements or other obligations (contingent or otherwise) which may require Merger Sub to repurchase or otherwise acquire any shares of its capital stock.

4.5 Exchange Act Reports; Financial Statements.

(a) Since the filing of Parent's Registration Statement on Form 10 on February 1, 2008 (the "Parent Form 10"), Parent has timely filed (or has been deemed to have timely filed pursuant to Rule 12b-25 under the Exchange Act) all reports, forms and documents that it was required to file with the SEC pursuant to the Exchange Act (together with the Parent Form 10, the "Parent Previous Filings"). Parent shall notify the Company immediately and in writing of the filing of any additional forms, reports or documents with the SEC by Parent after the date hereof and prior to the Effective Time (together with the Parent Previous Filings, the "Parent SEC Filings"). As of their respective filing dates (or if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such amending or superseding filing), each of the Parent SEC Filings (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and (ii) complied as to form in all material respects with the Exchange Act and the applicable rules and regulations of the SEC promulgated thereunder.

(b) Parent has timely filed (or has been deemed to have timely filed pursuant to Rule 12b-25 under the Exchange Act) and made publicly available on the SEC's EDGAR system, and the Company may rely upon, all certifications and statements required by (A) Rule 13a-14 or Rule 15d-14 under the Exchange Act and (B) Section 906 of the Sarbanes Oxley Act of 2002 with respect to any documents filed with the SEC. Since the most recent filing of such certifications and statements, there have been no significant changes in Parent's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act), or in other factors that could significantly affect its disclosure controls and procedures.

(c) The financial statements (including footnotes thereto) included in or incorporated by reference into the Parent SEC Filings (the "Parent Financial Statements") were complete and correct in all material respects as of their respective filing dates, complied as to form in all material respects with the Exchange Act and the applicable accounting requirements, rules and regulations of the SEC promulgated thereunder as of

their respective dates and have been prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as otherwise noted therein). The Parent Financial Statements fairly present the financial condition of Parent as of the dates thereof and results of operations, cash flows and stockholders' equity for the periods referred to therein (subject, in the case of unaudited Parent Financial Statements, to normal recurring year-end adjustments). There has been no change in Parent accounting policies except as described in the notes to the Parent Financial Statements.

4.6 Litigation. There are no actions, suits, proceedings, orders or investigations pending or, to the Knowledge of Parent, threatened against Parent, Merger Sub, or Parent's officers, directors or employees, individually or in the aggregate, at law or in equity, or before or by any federal, state or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign, and to the Knowledge of Parent, there is no reasonable basis for any proceeding, claim, action or governmental investigation directly or indirectly involving Parent, Merger Sub, or Parent's officers, directors, or employees, individually or in the aggregate. Neither Parent nor Merger Sub are a party to any order, judgment or decree issued by any federal, state or other governmental department, court, commission, board, bureau, agency or instrumentality, domestic or foreign.

4.7 Subsidiaries. Merger Sub is Parent's only subsidiary, direct or indirect. Parent owns all of the outstanding shares of capital stock of Merger Sub and all such shares are duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights or encumbrances. Merger Sub was formed solely for the purpose of engaging in the transactions contemplated hereby and, except for obligations or liabilities incurred in connection with its incorporation or organization and the transactions contemplated by this Agreement and except for this Agreement and any other agreements or arrangements contemplated hereby or thereby, Merger Sub has not incurred, directly or indirectly, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person.

4.8 No Brokers or Finders. None of Parent or any of its officers, directors, employees or Affiliates has employed any broker, finder, investment banker or investment advisor or Person performing a similar function, or incurred any liability for brokerage commissions, finders' fees, investment advisory fees or similar compensation in connection with the transactions contemplated by this Agreement.

4.9 Tax Matters.

(a) (i) Each of Parent and Merger Sub has timely filed (or has had timely filed on its behalf) all returns, declarations, reports, estimates, information returns, and statements, including any schedules and amendments to such documents ("Returns"), required to be filed by it in respect of any Taxes; (ii) all such Returns are complete and accurate in all material respects; (iii) each of Parent and Merger Sub has timely paid (or has had timely paid on its behalf) all Taxes required to have been paid by it (whether or not shown on any Return); (iv) Parent has established on the Parent Latest Balance Sheet, in accordance with GAAP, reserves that are adequate for the payment of any Taxes not yet paid; and (v) each of Parent and Merger Sub has complied with all applicable laws, rules, and regulations relating to the collection or withholding of Taxes from third parties (including without limitation employees) and the payment thereof (including, without limitation, withholding of Taxes under Sections

1441 and 1442 of the Code, or similar provisions under any foreign laws), and has complied in all material respects with all applicable reporting and recordkeeping requirements.

(b) There are no liens for Taxes upon any assets of Parent or Merger Sub, except statutory liens for current Taxes not yet due.

(c) No deficiency for any Taxes has been asserted, assessed or proposed against Parent or Merger Sub that has not been finally resolved. No waiver, extension or comparable consent given by Parent or Merger Sub regarding the application of the statute of limitations with respect to any Taxes or Returns is outstanding, nor is any request for any such waiver or consent pending. There is no pending or threatened Tax audit or other administrative proceeding or court proceeding with regard to any Taxes or Returns, nor is any such Tax audit or other proceeding pending, nor has there been any notice to Parent or Merger Sub by any Taxing authority regarding any such Tax audit or other proceeding, or, to the Knowledge of Parent, is any such Tax audit or other proceeding threatened with regard to any Taxes or Returns. Parent does not expect the assessment of any additional Taxes of Parent or Merger Sub for any period prior to the date hereof and has no Knowledge of any unresolved questions, claims or disputes concerning the liability for Taxes of Parent or Merger Sub which would exceed the estimated reserves established on its books and records.

(d) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, either alone or in combination with any other event (whether contingent or otherwise) will result in any "parachute payment" under Section 280G of the Code (or any corresponding provision of state, local, or foreign Tax law).

(e) There is no contract, agreement, plan or arrangement to which Parent or Merger Sub is a party which requires Parent or Merger Sub to pay a Tax gross-up, equalization or reimbursement payment to any Person, including without limitation, with respect to any Tax-related payments under Section 409A of the Code or Section 280G of the Code.

(f) Neither Parent nor Merger Sub is liable for Taxes of any other Person under Treasury Regulations Section 1.1502-6 or any similar provision of state, local or foreign Tax law, as a transferee or successor, by Contract or otherwise. Neither Parent nor Merger Sub is a party to any Tax sharing, allocation or indemnification agreement. Neither Parent nor Merger Sub has agreed or is required, as a result of a change in method of accounting or otherwise, to include any adjustment under Section 481 of the Code (or any corresponding provision of state, local or foreign law) in Taxable income. Neither Parent nor Merger Sub will be required to include any item of income in Taxable income for any Taxable period (or portion thereof) ending after the Closing Date as a result of any (i) prepaid amount received on or prior to the Closing Date or (ii) "closing agreement" described in Section 7121 of the Code (or any similar or corresponding provision of any other Tax law). No claim has ever been made by a Taxing authority in a jurisdiction where Parent or Merger Sub does not file a Return that Parent or Merger Sub is subject to Tax imposed by that jurisdiction. There are no advance rulings in respect of any Tax pending or issued by any Taxing authority with respect to any Taxes of Parent.

(g) Neither Parent nor Merger Sub has been a "distributing corporation" nor a "controlled corporation" (within the meaning of Section 355 of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code.

(h) Except as set forth on **Schedule 4.9(h)**, neither Parent nor Merger Sub has requested any extension of time within which to file any Return, which Return has not since been filed.

(i) Parent has not elected pursuant to Section 1362(a) of the Code to be treated as a Subchapter S corporation.

4.10 Contracts and Commitments. Except for this Agreement, the agreements to be executed by Parent that are included as exhibits to this Agreement, and the agreements set forth on **Schedule 4.10**, Parent is not a party to any contract, agreement, arrangement or other understanding, whether written or oral, which is currently in effect, and which relates to Parent or its business. All agreements or commitments set forth on **Schedule 4.10** shall either be cancelled or satisfied at the Effective Time.

4.11 Affiliate Transactions. No officer, director, employee or stockholder of Parent, or any member of the immediate family of any such officer, director, employee or stockholder, or any entity in which any of such persons owns any beneficial interest (other than any publicly-held corporation whose stock is traded on a national securities exchange, the Nasdaq Stock Market, or in an over-the-counter market and less than one percent of the stock of which is beneficially owned by any of such persons) (collectively "Parent Insiders"), has any agreement with Parent or any interest in any property, real, personal or mixed, tangible or intangible, used in or pertaining to the business of Parent. Except as set forth on **Schedule 4.11**, Parent is not indebted to any Parent Insider (except for reimbursement of ordinary business expenses) and no Parent Insider is indebted to Parent (except for cash advances for ordinary business expenses), all of which shall be paid or cancelled immediately at or prior to the Effective Time by Parent's stockholders. No Parent Insider has any direct or indirect interest in any competitor, supplier or customer of Parent or in any Person from whom or to whom Parent leases any property, or in any other Person with whom Parent transacts business of any nature. For purposes of this **Section 4.11**, the members of the immediate family of an officer, director or employee shall consist of the spouse, parents, children or siblings of such officer, director or employee.

4.12 Compliance with Laws; Permits.

(a) Parent and its officers, directors, agents and employees have complied in all material respects with all applicable laws, regulations and other requirements, including, but not limited to, federal, state, local and foreign laws, ordinances, rules, regulations and other requirements, including those pertaining to equal employment opportunity, employee retirement, affirmative action and other hiring practices, occupational safety and health, workers' compensation, unemployment and building and zoning codes, and no claims have been filed against Parent or any of its officers, directors, agents or employees, and Parent has not received any notice, alleging a violation of any such laws, regulations or other requirements. Parent is not relying on any exemption from or deferral of any such applicable law, regulation or other requirement that would not be available to the Company after it acquires Parent's properties, assets and business.

(b) Parent has no licenses, permits and certificates from federal, state, local and foreign authorities (including, without limitation, federal and state agencies regulating

occupational health and safety), and none are necessary and material to its operations and business.

4.13 Validity of the Parent Common Stock. The shares of Parent Common Stock to be issued to holders of Company Common Stock, pursuant and by virtue of the Merger will be, when issued, duly authorized, validly issued, fully paid and nonassessable and free of preemptive rights and encumbrances.

4.14 Books and Records. The books of account, minute books, stock record books, and other records of Parent, complete copies of which have been made available to the Company, have been properly kept and contain no inaccuracies except for inaccuracies that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent. At the Closing, all of Parent's records will be in the possession of Parent or its counsel.

4.15 Real Property. Parent does not own, lease or use any real property.

4.16 Insurance. Parent does not own or maintain any insurance policies.

4.17 No Undisclosed Liabilities. Except as reflected in the audited balance sheet of Parent at December 31, 2014 included in Parent's Annual Report on Form 10-K for the year ended on such date (the "Parent Latest Balance Sheet"), Parent has no liabilities (whether accrued, absolute, contingent, unliquidated or otherwise) except liabilities which have arisen after the date of the Parent Latest Balance Sheet in the ordinary course of business (which liabilities are not material, individually or in the aggregate). Immediately prior to the Closing, Parent shall have no liabilities except for $15,000 due to Richardson & Patel, LLP for services provided in connection with the transactions contemplated by this Agreement (the "Unpaid Parent Legal Fees").

4.18 Environmental Matters. None of the operations of Parent involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40C.F.R. Parts 260-270 or any state, local or foreign equivalent.

4.19 Absence of Certain Developments. Except as disclosed in the Parent SEC Filings or as otherwise contemplated by this Agreement, since the date of the Parent Latest Balance Sheet, Parent has conducted its business only in the ordinary course consistent with past practice and there has not occurred or been entered into, as the case may be: (i) any event having a Material Adverse Effect on Parent, (ii) any event that would reasonably be expected to prevent or materially delay the performance of Parent's obligations pursuant to this Agreement, (iii) any material change by Parent in its accounting methods, principles or practices, (iv) any declaration, setting aside or payment of any dividend or distribution in respect of the shares of capital stock of Parent or any redemption, purchase or other acquisition of any of Parent's securities, (v) any increase in the compensation or benefits payable or to become payable to any officers or directors of Parent or Merger Sub or establishment or modification of any Compensatory Plan, (vi) any issuance, grants or sale of any stock, options, warrants, notes, bonds or other securities, or entry into any agreement with respect thereto by Parent, (vii) any amendment to the certificate of incorporation or bylaws of Parent, (viii) any capital expenditures by Parent, purchase, sale, assignment or transfer of any material assets by Parent, mortgage, pledge or existence of any lien, encumbrance or charge on any material

assets or properties, tangible or intangible of Parent, except for liens for Taxes not yet due and such other liens, encumbrances, restrictions or charges, or cancellation, compromise, release or waiver by Parent of any rights of material value or any material debts or claims, (ix) any incurrence by Parent of any material liability (absolute or contingent), except for current liabilities and obligations incurred in the ordinary course of business consistent with past practice (which liabilities are not material, individually or in the aggregate), (x) damage, destruction or similar loss, whether or not covered by insurance, materially affecting the business or properties of Parent, (xi) entry by Parent into any agreement, contract, lease or license, (xii) any acceleration, termination, modification or cancellation of any agreement, contract, lease or license to which Parent is a party or by which any of them is bound, (xiii) entry by Parent into any loan or other transaction with any officers, directors or employees of Parent, (xiv) any charitable or other capital contribution by Parent or pledge therefore, (xv) entry by Parent into any transaction of a material nature, or (xvi) any negotiation or agreement by Parent to do any of the things described in the preceding clauses (i) through (xv).

4.20 Employee Benefit Plans.

(a) Except as contemplated by this Agreement, neither Parent nor Merger Sub sponsors, maintains or has any obligation or liability under, or has at any time sponsored, maintained or had any obligation under, any Compensatory Plan. Without limiting the generality of the foregoing, except as contemplated by this Agreement, neither Parent, Merger Sub nor any ERISA Affiliate sponsors, maintains or has any obligation under, or has sponsored, maintained or had any obligation under, any (A) "multiemployer plan" (within the meaning of Section 3(37) of ERISA), or (B) single employer plan or other pension plan subject to Title IV or Section 302 of ERISA or Section 412 of the Code. Parent, Merger Sub and each of their ERISA Affiliates are in compliance in all material respects with the applicable requirements of Section 4980B of the Code and any similar state law.

(b) Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement shall, individually or in the aggregate, (A) result in any payment becoming due to any officer, employee, consultant or director of Parent or Merger Sub, (B) increase or modify any benefits otherwise payable by Parent or Merger Sub to any employee, consultant or director of Parent or Merger Sub, or (C) result in the acceleration of time of payment or vesting of any such benefits.

4.21 Employees. Except as disclosed in the Parent SEC Filings, neither Parent nor Merger Sub has or has had any employees and none of Parent or Merger Sub has any obligation or liability to any current or former officer, director, employee or Affiliate of Parent. Each individual providing services to the Company has been properly classified as an employee or a non- employee service provider with respect to each such entity for all purposes under applicable law. No current or former employee, consultant or director of Parent or Merger Sub owes any indebtedness to Parent, Merger Sub or their Affiliates. Neither Parent nor Merger Sub is or has ever been a party to any collective bargaining or similar agreement, and there are no labor unions or other organizations representing, purporting to represent or, to the Knowledge of Parent, attempting to represent, any employee of Parent or Merger Sub.

4.22 Proprietary Information and Inventions. No current Parent employee or consultant is party to either a non-disclosure agreement or an alternative employment agreement with Parent containing comparable non-disclosure provisions.

4.23 Intellectual Property.

(a) Parent does not own or license the right to use any patents, copyrights, trademarks, know-how or software.

(b) To Parent's Knowledge, Parent is not infringing upon the intellectual property or proprietary rights of any Person. There are no claims pending or, to Parent's Knowledge, threatened alleging that Parent is currently infringing upon or using in an unauthorized manner or violating the intellectual or proprietary rights of any Person.

(c) Parent is not, nor will it be as a result of the execution and delivery of this Agreement or the performance of its obligations under this Agreement, in breach of any license, sublicense or other agreement or contract relating to intellectual property.

4.24 Tax Free Reorganization. Neither Parent nor, to Parent's Knowledge, any of its Affiliates has taken or agreed to take any action that could prevent the Merger, taken together with the subsequent merger of the Company with and into Parent, from qualifying as a reorganization under Section 368(a) of the Code.

4.25 Investment Company. None of Parent or Merger Sub is as of the date of this Agreement, nor upon the Closing will be, an "investment company," a company controlled by an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

4.26 Foreign Corrupt Practices. None of Parent, Merger Sub or any director, officer, or, to the knowledge of Parent, agent, employee or other Person acting on behalf of Parent has, in the course of its actions for, or on behalf of, Parent: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended; or (iv) made other unlawful payment to any foreign or domestic government official or employee.

4.27 No Integrated Offering. Neither Parent nor any Affiliates of Parent, nor any Person acting on the behalf of any of the foregoing, has, directly or indirectly, made any offers or sales of any security or solicited any offers to purchase any security, under circumstances that would require registration of any of the shares of Parent Common Stock issuable pursuant to this Agreement under the Securities Act or cause this offering of such shares of Parent Common Stock to be integrated with prior offerings by Parent for purposes of the Securities Act or any applicable shareholder approval requirements of any authority.

4.28 Application of Takeover Provisions. Parent and its Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, or other similar takeover, anti-takeover, moratorium, fair price, interested shareholder or similar provision under the certificate of incorporation of Parent or the laws of the State of Delaware to the transactions contemplated hereby, including the Merger and Parent's issuance of shares of Parent Common Stock to the stockholders of the Company. Parent has never adopted any shareholder rights plan or similar arrangement relating

to accumulations of beneficial ownership of Parent Common Stock or a change in control of Parent.

4.29 Information. All of the information provided by, or on behalf of, Parent or Merger Sub regarding Parent, Merger Sub or any of their respective officers, directors, employees, agents or other representatives, to the Company or its representatives for purposes of, or otherwise in connection with, the preparation of any filings to be made with the SEC and any other governmental authority in connection with the consummation of the transactions contemplated hereby is accurate and complete in all material respects.

4.30 Full Disclosure. The representations and warranties of Parent and Merger Sub contained in this Agreement (and in any schedule, exhibit, certificate or other instrument to be delivered under this Agreement) are true and correct in all material respects, and such representations and warranties do not omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. There is no fact of which Parent or Merger Sub has Knowledge that has not been disclosed to the Company pursuant to this Agreement, including the schedules hereto, all taken together as a whole, which has had or would reasonably be expected to have a Material Adverse Effect on Parent or Merger Sub, or materially adversely affect the ability of Parent or Merger Sub to consummate in a timely manner the transactions contemplated hereby.

ARTICLE V
CONDUCT OF BUSINESS PENDING THE MERGER

5.1 Conduct of Business by Parent and Merger Sub. From the date of this Agreement to the Effective Date, unless the Company shall otherwise agree in writing or as otherwise expressly contemplated or permitted by other provisions of this Agreement, including but not limited to this **Section 5.1**, neither Parent nor Merger Sub shall, directly or indirectly, (a) amend its certificate of incorporation or bylaws, (b) split, combine or reclassify any outstanding shares of capital stock of Parent, (c) declare, set aside, make or pay any dividend or distribution in cash, stock, property or otherwise with respect to the capital stock of Parent, (d) incur any indebtedness for borrowed money or default in its obligations under any material debt, contract or commitment which default results in the acceleration of obligations due thereunder, except for such defaults arising out of Parent's entry into this Agreement for which consents, waivers or modifications are required to be obtained, (e) conduct its business other than in the ordinary course on an arms-length basis and in accordance in all material respects with all applicable laws, rules and regulations and Parent's past custom and practice, (f) issue or sell any additional shares of, or options, warrants, conversions, privileges or rights of any kind to acquire any shares of, any of its capital stock, except in connection with the exercise or conversion of Parent securities outstanding on the date of this Agreement or payment of stock dividends, (g) acquire (by merger, exchange, consolidation, acquisition of stock or assets or otherwise) any corporation, partnership, joint venture or other business organization or division or material assets thereof, (h) make or change any material Tax elections, settle or compromise any material Tax liability or file any amended Returns or (i) adopt any Compensatory Plan or hire or materially increase the existing compensation of any employee, consultant, director or other service provider.

5.2 Conduct of Business by the Company. From the date of this Agreement to

the Effective Date, unless Parent shall otherwise agree in writing or except as set forth in **Schedule 5.2** or otherwise expressly contemplated or permitted by other provisions of this Agreement, including but not limited to this **Section 5.2**, the Company shall not, directly or indirectly, (a) default in its obligations under any material debt, contract or commitment which default results in the acceleration of obligations due thereunder, except for such defaults arising out of the Company's entry into this Agreement for which consents, waivers or modifications are required to be obtained, (b) conduct its business other than in the ordinary course on an arms-length basis and in accordance in all material respects with all applicable laws, rules and regulations and the Company's past custom and practice, (c) issue or sell any additional shares of, or options, warrants, conversions, privileges or rights of any kind to acquire any shares of, any Company Common Stock, except in connection with (I) the Private Placement, (II) the exercise of stock options or warrants or the conversion of convertible notes outstanding on the date of this Agreement or as contemplated by this Agreement, or (III) the issuance of awards under the 2014 Plan, or (d) acquire (by merger, exchange, consolidation, acquisition of stock or assets or otherwise) any corporation, partnership, joint venture or other business organization or division or material assets thereof.

ARTICLE VI
ADDITIONAL COVENANTS AND AGREEMENTS

6.1 Governmental Filings. Subject to the terms and conditions herein provided, each party will use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement. Each party will use all reasonable efforts and will cooperate with the other party in the preparation and filing, as soon as practicable, of all filings, applications or other documents required under applicable laws, including, but not limited to, the Exchange Act, to consummate the transactions contemplated by this Agreement. Prior to submitting each filing, application, registration statement or other document with the applicable regulatory authority, each party will, to the extent practicable, provide the other party with an opportunity to review and comment on each such application, registration statement or other document to the extent permitted by applicable law. Each party will use all reasonable efforts and will cooperate with the other party in taking any other actions necessary to obtain such regulatory or other approvals and consents at the earliest practicable time, including participating in any required hearings or proceedings.

6.2 Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses; provided, however that the Company has agreed to reimburse Parent for up to $30,000 of legal fees, payable in accordance with the wire instructions set forth on **Schedule 6.2** to the parties specified thereon.

6.3 Due Diligence; Access to Information; Confidentiality.

(a) Between the date hereof and the Closing Date, the Company and Parent shall afford to the other party and their authorized representatives the opportunity to conduct and complete a due diligence investigation of the other party as described herein. In light of the foregoing, each party shall permit the other party full access on reasonable notice and at reasonable hours to its properties and shall disclose and make available (together with the right to copy) to the other party and its officers, employees, attorneys, accountants and other

representatives (hereinafter collectively referred to as "Representatives"), all books, papers, and records relating to the assets, stock, properties, operations, obligations and liabilities of such party and its subsidiaries, including, without limitation, all books of account (including, without limitation, the general ledger), Tax records, minute books of directors' and stockholders' meetings, organizational documents, bylaws, contracts and agreements, filings with any regulatory authority, accountants' work papers, litigation files (including, without limitation, legal research memoranda), attorney's audit response letters, documents relating to assets and title thereto (including, without limitation, abstracts, title insurance policies, surveys, environmental reports, opinions of title and other information relating to the real and personal property), plans affecting employees, securities transfer records and stockholder lists, and any books, papers and records (collectively referred to herein as "Evaluation Material") relating to other assets or business activities in which such party may have a reasonable interest, and otherwise provide such assistance as is reasonably requested in order that each party may have a full opportunity to make such investigation and evaluation as it shall reasonably desire to make of the business and affairs of the other party; provided, however, that the foregoing rights granted to each party shall, whether or not and regardless of the extent to which the same are exercised, in no way affect the nature or scope of the representations, warranties and covenants of the respective party set forth herein. In addition, each party and its Representatives shall cooperate fully (including providing introductions, where necessary) with such other party to enable the party to contact third parties, including customers, prospective customers, specified agencies or others as the party deems reasonably necessary to complete its due diligence; provided that such party agrees not to initiate such contacts without the prior approval of the other party, which approval will not be unreasonably withheld.

(b) The Company and Parent agree that each such party will not use the Evaluation Material for any purpose other than in connection with the Merger and the transactions contemplated hereunder. Each agrees not to disclose or allow disclosure to others of any Evaluation Material, except to such party's Affiliates or Representatives, in each case, to the extent necessary to permit such Affiliate or Representative to assist such party in connection with the Merger and the transactions contemplated hereunder. Each agrees that it will, within ten (10) days of the other party's request, re-deliver to such party all copies of that party's Evaluation Material in its possession or that of its Affiliates or Representatives if the Merger does not close as contemplated herein.

(c) In the event any party or anyone to whom Evaluation Material has been transmitted in accordance with the terms herein is requested in connection with any proceeding to disclose any Evaluation Material, or a party has determined that it is required under applicable law or regulation to disclose Evaluation Material, such party will, to the extent permitted and practicable under the circumstances, give the other party prompt notice of such request or determination so that the other party may seek an appropriate protective order or other remedy or waive compliance with this Agreement, and such party will cooperate with the other party to obtain such protective order. In the event such protective order is not obtained, or the other party waives compliance with the provisions of this Section 6.3, such party (or such person to whom such request is directed) will furnish only that portion of the Evaluation Material which is required to be disclosed. The parties acknowledge that, upon execution and delivery, this Agreement (but not the exhibits and schedules thereto) will be filed by Parent with the SEC under cover of Form 8-K.

(d) Notwithstanding any of the foregoing, if prior to Closing, for any

reason, the transactions contemplated by this Agreement are not consummated, neither Parent nor the Company nor any of their Representatives shall disclose to third parties or otherwise use any Evaluation Material or other confidential information received from the other party in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement; provided, however, that nothing shall be deemed to be confidential information which:

(i) is or becomes generally available to the public other than as a result of an act or omission by such party, its affiliates or Representatives; disclosure;

(ii) was available to such party on a non-confidential basis prior to its

(iii) becomes available to such party on a non-confidential basis from a source other than the other party or its agents, advisors or Representatives; other party; or

(iv) developed by such party independently of any disclosure by the party is disclosed in compliance with **Section 6.3(c)**.

Nothing in this **Section 6.3** shall prohibit the disclosure of information required to be made under federal or state securities laws. If any disclosure is so required, the party making such disclosure shall consult with the other party prior to making such disclosure, and the parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such disclosure which is satisfactory to both parties.

(e) Parent and the Company each agree that money damages would not be sufficient to remedy any breach by the other party of this **Section 6.3**, and that, in addition to all other remedies, each party against which a breach of this **Section 6.3** has been committed shall be entitled to specific performance and injunctive or other equitable relief as a remedy of such breach.

6.4 Tax Treatment. It is intended by the parties hereto that the Merger, taken together with the subsequent merger of the Company with and into Parent (the Merger and such subsequent merger together, the "Mergers"), shall constitute a "reorganization" within the meaning of Section 368(a) of the Code. Each of the parties hereto adopts this Agreement as a "plan of reorganization" within the meaning of Treasury Regulation sections 1.368-2(g) and 1.368-3(a). Parent, Merger Sub and the Company shall report the Mergers as a reorganization within the meaning of Section 368(a) of the Code and file all Returns accordingly, unless otherwise required pursuant to a "determination" within the meaning of and described in Section 1313(a) of the Code. Parent, Merger Sub and the Company each agree to use their respective best efforts to cause the Mergers to qualify, and will not take any actions which could reasonably be expected to prevent the Mergers from qualifying, as a "reorganization" under Section 368(a) of the Code.

6.5 Press Releases. The Company and Parent shall agree with each other as to the form and substance of any press release or public announcement related to this Agreement or the transactions contemplated hereby; provided, however, that nothing contained herein shall prohibit either party, following notification to the other party, from making any disclosure which is required by law or regulation. If any such press release or public announcement is so

required, the party making such disclosure shall consult with the other party prior to making such disclosure, and the parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such disclosure which is satisfactory to both parties.

6.6 Securities Reports. Parent shall timely file with the SEC all reports and other documents required to be filed under the Securities Act or the Exchange Act. All such reports and documents (i) shall not, as of the date of such filing, contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) shall comply as to form, in all material respects, with the applicable rules and regulations of the SEC. Parent agrees to provide to the Company copies of all reports and other documents filed under the Securities Act or Exchange Act with the SEC by it between the date hereof and the Effective Date, to the extent such reports and other documentation are not publicly available on EDGAR, within two (2) days after the date such reports or other documents are filed with the SEC.

6.7 Private Placement. Each of the Company and Parent shall take all necessary action on its part such that the issuance of the Merger Consideration to Company stockholders is exempt from registration under the Securities Act.

6.8 Company Stockholders' Written Consent; Materials to Stockholders.

(a) The Company shall, in accordance with the DGCL and its certificate of incorporation and bylaws, and, to the extent applicable the CCC, use its best efforts to obtain the written consent of the number of Company stockholders necessary under its certificate of incorporation, bylaws and the DGCL to approve this Agreement and the Merger.

(b) The Company shall as promptly as practicable following the date of this Agreement prepare and mail to Company stockholders all information, if any, as may be required to comply with the DGCL, the CCC, the Securities Act and the Exchange Act.

6.9 No Solicitation.

(a) Unless and until this Agreement shall have been terminated pursuant to **Section 8.1**, neither Parent nor its officers, directors, stockholders or agents shall, directly or indirectly, encourage, solicit or initiate discussions or negotiations with, or engage in negotiations or discussions with, or provide non-public information to, any Person or group of Persons concerning any merger, sale of capital stock, sale of substantial assets or other business combination; provided, however, that Parent may engage in such discussion and provide such non-public information (subject to obtaining confidentiality agreements) in response to an unsolicited proposal from an unrelated party if the Board of Directors of Parent determines, in good faith, after consultation with counsel, that the failure to engage in such discussions and provide such non-public information (subject to obtaining confidentiality agreements) may constitute a breach of the fiduciary or legal obligations of the Board of Directors of Parent. Parent will promptly advise the Company if it receives a proposal or inquiry with respect to the matters described above.

(b) Unless and until this Agreement shall have been terminated pursuant to **Section 8.1**, neither the Company nor its officers, directors or agents shall, directly or

indirectly, encourage, solicit or initiate discussions or negotiations with, or engage in negotiations or discussions with, or provide non-public information to, any Person or group of Persons concerning any merger, sale of common stock (other than the Private Placement), sale of substantial assets or other business combination; provided, however, that the Company may engage in such discussion in response to any unsolicited proposal from an unrelated party if the Board of Directors of the Company determines, in good faith, after consultation with counsel, that the failure to engage in such discussions and provide such non-public information (subject to obtaining confidentiality agreements) may constitute a breach of the fiduciary or legal obligations of the Board of Directors of the Company. The Company will promptly advise Parent if it receives a proposal or inquiry with respect to the matters described above.

6.10 Failure to Fulfill Conditions. In the event that either of the parties hereto determines that a condition to its respective obligations to consummate the transactions contemplated hereby cannot be fulfilled on or prior to the termination of this Agreement, it will promptly notify the other party.

6.11 Notification of Certain Matters. At or prior to the Effective Time, each party shall give prompt notice to the other party of (i) the occurrence or failure to occur of any event or the discovery of any information, which occurrence, failure or discovery would be likely to cause any representation or warranty on its part contained in this Agreement to be untrue, inaccurate or incomplete after the date hereof in any material respect or, in the case of any representation or warranty given as of a specific date, would be likely to cause any such representation or warranty on its part contained in this Agreement to be untrue, inaccurate or incomplete in any material respect as of such specific date, and (ii) any material failure of such party to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder.

6.12 Pre-Merger Indemnity Agreement. Parent and the Company shall agree to indemnify the current officers and directors of Parent for actions relating to the approval of and entering into this Agreement and the Merger and each of the transactions contemplated thereby in addition to any post-merger actions taken by any current directors that remain on the Board of Directors of Parent following the Effective Time, to the extent such director is acting in his official capacity as a director of Parent, pursuant to an agreement in the form attached hereto as ***Exhibit G*** (the "Pre-Merger Indemnity Agreement").

ARTICLE VII
CONDITIONS

7.1 Conditions to Obligations of Each Party. The respective obligations of each party to effect the transactions contemplated hereby are subject to the fulfillment or waiver at or prior to the Effective Date of the following conditions:

(a) No Prohibitive Change of Law. There shall have been no law, statute, rule or regulation, domestic or foreign, enacted or promulgated which would prohibit or make illegal the consummation of the transactions contemplated hereby.

(b) Stockholder Approvals. This Agreement and the Merger shall have been approved by the Requisite Company Stockholder Vote.

(c) Adverse Proceedings. There shall not be threatened in writing, instituted or pending any action or proceeding before any court or governmental authority or agency (i) challenging or seeking to make illegal, or to delay or otherwise directly or indirectly restrain or prohibit, the consummation of the transactions contemplated hereby or seeking to obtain material damages in connection with such transactions, (ii) seeking to prohibit direct or indirect ownership or operation by Parent or Merger Sub of all or a material portion of the business or assets of the Company, or to compel Parent or Merger Sub or the Company to dispose of or to hold separately all or a material portion of the business or assets of Parent or Merger Sub or of the Company, as a result of the transactions contemplated hereby; (iii) seeking to invalidate or render unenforceable any material provision of this Agreement or any of the other agreements attached as exhibits hereto or contemplated hereby, or (iv) otherwise relating to and materially adversely affecting the transactions contemplated hereby.

(d) Governmental Action. There shall not be any action taken, or any statute, rule, regulation, judgment, order or injunction proposed, enacted, entered, enforced, promulgated, issued or deemed applicable to the transactions contemplated hereby, by any federal, state or other court, government or governmental authority or agency, that would reasonably be expected to result, directly or indirectly, in any of the consequences referred to in **Section 7.1(c)**.

(e) Market Condition. There shall not have occurred any general suspension of trading on the New York Stock Exchange, the Nasdaq Stock Market, or any general bank moratorium or closing or any war, national emergency or other event affecting the economy or securities trading markets in any of the foregoing cases generally that would make completion of the Merger impossible.

(f) Private Placement. Prior to the Closing, the Company shall have received no less than $35 million in aggregate proceeds pursuant to a private placement of Company Common Stock conducted in compliance with Regulation D under the Securities Act, including conversion of outstanding indebtedness (the "Private Placement").

7.2 Additional Conditions to Obligation of Parent and Merger Sub. The obligation of Parent and Merger Sub to consummate the transactions contemplated hereby in accordance with the terms of this Agreement is also subject to the fulfillment or waiver of the following conditions:

(a) Representations and Compliance. The representations of the Company contained in this Agreement were accurate as of the date of this Agreement and are accurate as of the Closing Date, in all respects (in the case of any representation containing any materiality qualification) or in all material respects (in the case of any representation without any materiality qualification), except for representations and warranties made as of a specific date, which shall be accurate as of such date. The Company shall in all material respects have performed each obligation and agreement and complied with each covenant to be performed and complied with by it hereunder at or prior to the Closing Date.

(b) Officers' Certificate. The Company shall have furnished to Parent and Merger Sub a certificate of the President and Chief Executive Officer of the Company, dated as of the Effective Date, in which such officer shall certify that, to the best of his Knowledge, the conditions set forth in **Section 7.2(a)** have been fulfilled.

(c) Secretary's Certificate. The Company shall have furnished to Parent (i) copies of the text of the resolutions by which the corporate action on the part of the Company necessary to approve this Agreement, the Certificate of Merger and the transactions contemplated hereby and thereby were taken, (ii) a certificate dated as of the Closing Date executed on behalf of the Company by its corporate secretary or one of its assistant corporate secretaries certifying to Parent that such copies are true, correct and complete copies of such resolutions and that such resolutions were duly adopted and have not been amended or rescinded, (iii) an incumbency certificate dated as of the Closing Date executed on behalf of the Company by its corporate secretary or one of its assistant corporate secretaries certifying the signature and office of each officer of the Company executing this Agreement, the Certificate of Merger or any other agreement, certificate or other instrument executed pursuant hereto by the Company, (iv) a copy of the certificate of incorporation of the Company, certified by the Secretary of State of Delaware, and (v) a certificate from the Secretary of State of the State of Delaware evidencing the good standing of the Company in such jurisdiction dated as of a recent date prior to the Closing Date.

(d) Consents and Approvals. The Company shall have obtained all consents and approvals necessary to consummate the transactions contemplated by this Agreement, in order that the transactions contemplated herein not constitute a breach or violation of, or result in a right of termination or acceleration of, or creation of any encumbrance on any of the Company's assets pursuant to the provisions of, any agreement, arrangement or undertaking of or affecting the Company or any license, franchise or permit of or affecting the Company.

(e) Merger Certificate. The Company shall have executed a copy of the Certificate of Merger.

(f) Pre-Merger Indemnity Agreement. The parties to the Pre-Merger Indemnity Agreement shall have executed and delivered it to each other, and the Pre-Merger Indemnity Agreement shall be in full force and effect.

(g) D&O Insurance. The Company shall have obtained and purchased director and officer liability insurance ("D&O Insurance") to be effective as of 12:01am on the Closing Date, covering the officers and directors of Parent immediately prior to the Effective Time, and such D&O Insurance shall include coverage for any acts or omissions that take place on or after the Closing Date in connection with the transactions contemplated by this Agreement, and shall be maintained (or a tail policy with equivalent coverage shall be maintained) in effect for a period of at least two (2) years following the Effective Time.

7.3 Additional Conditions to Obligation of the Company. The obligation of the Company to consummate the transactions contemplated hereby in accordance with the terms of this Agreement is also subject to the fulfillment or waiver of the following conditions:

(a) Representations and Compliance. The representations of Parent and Merger Sub contained in this Agreement were accurate as of the date of this Agreement and are accurate as of the Effective Time, in all respects (in the case of any representation containing any materiality qualification) or in all material respects (in the case of any representation without any materiality qualification), except for representations and warranties

made as of a specific date, which shall be accurate as of such date. Parent and Merger Sub, respectively, shall in all material respects have performed each obligation and agreement and complied with each covenant to be performed and complied with by them hereunder at or prior to the Effective Date.

(b) Officers' Certificate. Parent shall have furnished to the Company a certificate of the Principal Executive Officer and Principal Financial Officer of Parent, dated as of the Effective Date, in which such officer shall certify that, to the best of his Knowledge, the conditions set forth in **Section 7.3(a)** have been fulfilled.

(c) Secretary's Certificate. Parent shall have furnished to the Company (i) copies of the text of the resolutions by which the corporate action on the part of Parent necessary to approve this Agreement and the Certificate of Merger, the election of the directors of Parent to serve following the Closing Date and the transactions contemplated hereby and thereby were taken, which shall be accompanied by a certificate of the corporate secretary or assistant corporate secretary of Parent dated as of the Closing Date certifying to the Company that such copies are true, correct and complete copies of such resolutions and that such resolutions were duly adopted and have not been amended or rescinded, (ii) an incumbency certificate dated as of the Closing Date executed on behalf of Parent by its corporate secretary or one of its assistant corporate secretaries certifying the signature and office of each officer of Parent executing this Agreement, the Certificate of Merger or any other agreement, certificate or other instrument executed pursuant hereto, and (iii) a copy of the certificate of incorporation of Parent, certified by the Secretary of State of the State of Delaware, and certificates from the Secretary of State of the State of Delaware evidencing the good standing of Parent in such jurisdiction dated as of a recent date prior to the Closing Date.

(d) Consents and Approvals. Parent and Merger Sub shall have obtained all consents and approvals necessary to consummate the transactions contemplated by this Agreement in order that the transactions contemplated herein not constitute a breach or violation of, or result in a right of termination or acceleration of, or creation of any encumbrance on any of Parent's or Merger Sub's assets pursuant to the provisions of, any agreement, arrangement or undertaking of or affecting Parent or any license, franchise or permit of or affecting Parent.

(e) Redemption Agreement. Parent shall have delivered to the Company an executed copy of the Redemption Agreement, duly executed by Parent and each of the Parent Stockholders, and the Redemption Agreement shall be in full force and effect.

(f) Directors and Officers of Parent. The officers and directors of Parent shall be as provided in **Section 2.8**.

(g) Parent Liabilities. Except for Unpaid Parent Legal Fees, Parent shall have no liabilities.

(h) Pre-Merger Indemnity Agreement. The parties to the Pre-Merger Indemnity Agreement shall have executed and delivered it to each other, and the Pre-Merger Indemnity Agreement shall be in full force and effect.

(i) Compliance with Securities Law Requirements. Parent shall be in

compliance in all material respects with all requirements of applicable securities laws, including, without limitation, the filing of reports required by Section 13 of the Exchange Act, and shall have taken all actions with respect thereto as shall be required or reasonably requested by the Company in connection therewith.

(j) Stock Plans. The Board of Directors and stockholders of Parent shall have taken all requisite corporate action, prior to the Effective Time, to (i) assume, approve and adopt the Restated 2014 Plan, in substantially the form of ***Exhibit D*** hereto, and (ii) approve and adopt the ESPP, in substantially the form of ***Exhibit E*** hereto, each of which is to be effective immediately following the Effective Time, subject to compliance with Section 14(c) of the Exchange Act and the rules and regulations promulgated thereunder.

(k) Parent Certificate of Incorporation. The Board of Directors and stockholders of Parent shall have taken all requisite corporate action, prior to the Effective Time, to approve and adopt a restated certificate of incorporation, in substantially the form of ***Exhibit H*** hereto, to be filed with the Secretary of State of the State of Delaware immediately following the Effective Time, subject to compliance with Section 14(c) of the Exchange Act and the rules and regulations promulgated thereunder.

(l) Parent Bylaws. The Board of Directors and stockholders of Parent shall have taken all requisite corporate action, prior to the Effective Time, to approve and adopt restated bylaws, in substantially the form of ***Exhibit I*** hereto, to be effective immediately following the Effective Time, subject to compliance with Section 14(c) of the Exchange Act and the rules and regulations promulgated thereunder.

(m) Post-Merger Indemnity Agreement. The Board of Directors and stockholders of Parent, shall have taken all requisite corporate action, prior to the Effective Time, to approve and adopt a form of Indemnity Agreement for use as an agreement between the corporation and each of its directors and officers, in substantially the form of ***Exhibit J*** hereto (the "Post-Merger Indemnity Agreement"), to be effective immediately following the Effective Time, subject to compliance with Section 14(c) of the Exchange Act and the rules and regulations promulgated thereunder.

(n) Parent Promissory Notes. Parent shall have furnished to the Company confirmation, in a form reasonably acceptable to the Company, that each of the Promissory Notes set forth in Section 4.11 of the Parent and Merger Sub Disclosure Schedule attached hereto as ***Exhibit C*** have been satisfied and no longer are of any force or effect.

ARTICLE VIII
TERMINATION

8.1 Termination. This Agreement may be terminated prior to the Effective Date:

(a) by mutual consent of the Company and Parent, if the Board of Directors of each so determines by vote of a majority of the members of its entire board;

(b) by Parent, if any representation of the Company set forth in this Agreement was inaccurate when made or becomes inaccurate such that the condition set forth

in **Section 7.2(a)** could not be satisfied;

(c) by the Company, if any representation of Parent set forth in this Agreement was inaccurate when made or becomes inaccurate such that the condition set forth in **Section 7.3(a)** could not be satisfied;

(d) by Parent, if the Company fails to perform or comply with any of the obligations that it is required to perform or to comply with under this Agreement such that the condition set forth in **Section 7.2(a)** could not be satisfied;

(e) by the Company, if Parent fails to perform or comply with any of the obligations that it is required to perform or to comply with under this Agreement such that the condition set forth in **Section 7.3(a)** could not be satisfied;

(f) by either the Company or Parent if the Closing Date is not on or before March 31, 2015 or such later date as the Company and Parent may mutually agree (except that a party seeking to terminate this Agreement pursuant to this clause may not do so if the failure to consummate the Merger by such date shall be due to the action or failure to act of the party seeking to terminate this Agreement in breach of such party's obligations under this Agreement);

(g) by Parent if, after complying with **Section 6.9(a)** and affording the Company ten (10) business days' notice of its proposal to enter into an agreement with a third party for a transaction of a nature specified in **Section 6.9(a)** (and, if the Company so elects, after good faith negotiations with the Company during such ten (10) business day period, to attempt to make adjustments in the terms and conditions of this Agreement as would enable Parent to proceed with the Merger), the Board of Directors of Parent shall have concluded that such third party offer is superior to the provisions of this Agreement, after considering any revised offer made by the Company; and

(h) by the Company if, after complying with **Section 6.9(b)** and affording Parent ten (10) business days' notice of its proposal to enter into an agreement with a third party for a transaction of a nature specified in **Section 6.9(b)** (and, if Parent so elects, after good faith negotiations with Parent during such ten (10) business day period to attempt to make adjustments in the terms and conditions of this Agreement as would enable the Company to proceed with the Merger), the Board of Directors of the Company shall have concluded that such third party offer is superior to the provisions of this Agreement, after considering any revised offer made by Parent.

ARTICLE IX
GENERAL PROVISIONS

9.1 Notices. All notices and other communications hereunder shall be in writing and shall be sufficiently given if made by hand delivery, by overnight delivery service for next business day delivery, or by registered or certified mail (return receipt requested), in each case with delivery charges prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by it by like notice):

If to the Company:	Kura Oncology, Inc. 11119 North Torrey Pines Road Suite 125 La Jolla, CA 92037 Telephone: (858) 500 8800 Attn: Troy Wilson, President and Chief Executive Officer
With copies to:	Cooley LLP 4401 Eastgate Mall San Diego, CA 92121 Telephone: (858) 550-6000 Attn: James Pennington
If to Parent or Merger Sub:	Zeta Acquisition Corp. III c/o Equity Dynamics Inc. 666 Walnut Street Suite 2116 Des Moines, IA 50309 Telephone: (515) 244-5746 Attn: Matthew P. Kinley
With copies to:	Richardson & Patel LLP 405 Lexington Avenue 49th Floor New York, NY 10174 Telephone: (212) 931-8700 Attn: David N. Feldman, Esq.

All such notices and other communications shall be deemed to have been duly given as follows: when delivered by hand, if personally delivered, when received; if delivered by registered or certified mail (return receipt requested), when receipt acknowledged; or the next business day delivery after being timely delivered to a recognized overnight delivery service.

9.2 No Survival. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Effective Time, except for this **Article IX** and those covenants and agreements herein and **Section 6.3** that by their terms apply or are to be performed in whole or in part after the Effective Time.

9.3 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. References to Sections and Articles refer to Sections and Articles of this Agreement unless otherwise stated. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” “hereby” and “hereunder,” and words of like import, unless the context requires otherwise, refer to this Agreement (including the Schedules hereto). As used in this Agreement, the masculine, feminine and neuter genders shall be deemed to include the others if the context requires.

9.4 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties shall negotiate in good faith to modify this Agreement and to preserve each party's anticipated benefits under this Agreement.

9.5 Amendment. This Agreement may not be amended or modified except by an instrument in writing approved by the parties to this Agreement and signed on behalf of each of the parties hereto.

9.6 Waiver. At any time prior to the Effective Date, any party hereto may (a) extend the time for the performance of any of the obligations or other acts of the other party hereto or (b) waive compliance with any of the agreements of the other party or with any conditions to its own obligations, in each case only to the extent such obligations, agreements and conditions are intended for its benefit. Any such extension or waiver shall only be effective if made in writing and duly executed by the party giving such extension or waiver.

9.7 Miscellaneous. This Agreement (together with all other documents and instruments referred to herein): (a) constitutes the entire agreement, and supersedes all other prior agreements and undertakings, both written and oral, among the parties, with respect to the subject matter hereof; and (b) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, but shall not be assignable by either party hereto without the prior written consent of the other party hereto.

9.8 Counterparts; Facsimile Signatures. This Agreement may be executed in two or more counterparts, which together shall constitute a single agreement. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile or email of a PDF, which facsimile or PDF shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

9.9 Third Party Beneficiaries. Each party hereto intends that this Agreement, except as expressly provided herein, shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

9.10 Governing Law. This Agreement is governed by the internal laws of the State of Delaware without regard to such State's principles of conflicts of laws that would defer to the substantive laws of another jurisdiction.

9.11 Jurisdiction; Service of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement must, to the extent such courts will accept such jurisdiction, be brought against any of the parties in the courts of the State of Delaware, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Delaware, and each of the parties consents to the jurisdiction of those courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any such action or proceeding may be served by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in **Section 9.1.** Nothing in this **Section 9.11**, however, affects the right of any party to serve legal process in any other manner

permitted by law.

9.12 Disclosure in Schedules. For purposes of this Agreement, with respect to any matter that is clearly disclosed on any Schedule hereto with respect to any Section hereof in such a way as to make its relevance to the information called for by another Section hereof or any other Schedule, as the case may be, reasonably apparent, such matter shall be deemed to have been disclosed in response to such other Section or Schedule, notwithstanding the omission of any appropriate cross-reference thereto; provided, however, that each of Parent and the Company hereby covenants to make a good faith diligent effort to make all appropriate cross-references within and to any and all Sections of this Agreement and Schedules hereto.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective officers.

COMPANY:

KURA ONCOLOGY, INC.

By: /s/ Troy E. Wilson
Name: Troy E. Wilson
Its: President, Chief Executive Officer, and Director

PARENT:

ZETA ACQUISITION CORP. III

By: /s/ Matthew P. Kinley
Name: Matthew P. Kinley
Its: CFO

MERGER SUB:

KURA OPERATIONS, INC.

By: /s/ Troy E. Wilson
Name: Troy E. Wilson
Its: President

[Signature Page to Agreement and Plan of Merger]

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of March 6, 2015, by and between Zeta Acquisition Corp. III, a Delaware corporation (the "Parent Corporation"), and Kura Oncology, Inc., a Delaware corporation (the "Subsidiary Corporation"). The Parent Corporation and the Subsidiary Corporation are collectively referred to as the "Constituent Corporations."

RECITALS:

WHEREAS, each of the Constituent Corporations is a corporation duly organized and existing under the laws of the State of Delaware;

WHEREAS, the Subsidiary Corporation has an authorized capitalization consisting of 1,000 shares of common stock, $0.0001 par value per share ("Common Stock"), of which 100 shares of Common Stock are issued and outstanding;

WHEREAS, the Parent Corporation owns 100% of the outstanding shares of each class of capital stock of the Subsidiary Corporation entitled to vote on a merger;

WHEREAS, the Board of Directors of the Parent Corporation has determined that it is desirable and in the best interests of the Subsidiary Corporation to merge with and into the Parent Corporation (the "Merger"), pursuant to Section 253 of the General Corporate Law of the State of Delaware (the "DGCL"), on the terms and subject to the conditions set forth herein;

WHEREAS, upon the consummation of the Merger, the Parent Corporation will change its name to "Kura Oncology, Inc." (the "Name Change"); and

WHEREAS, the Merger is intended to qualify as a reorganization pursuant to Section 368 of the Internal Revenue Code, as amended (the "Code").

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

1.1 At the Effective Time (as defined below), Subsidiary Corporation shall be merged with and into Parent Corporation (the "Merger"). Upon effectiveness of the Merger, the separate existence of Subsidiary Corporation shall cease and Parent Corporation shall continue as the surviving corporation, unaffected and unimpaired by the Merger, with all the rights, privileges, immunities and powers and subject to all the duties and liabilities of a corporation organized under the DGCL.

1.2 The Merger shall become effective upon filing of the Certificate of Ownership and Merger (the "Effective Time"), in the form attached hereto as Exhibit A (the "Merger Certificate"), with the Secretary of State of the State of Delaware.

ARTICLE II

2.1 The Certificate of Incorporation of the Parent Corporation, as amended and in effect immediately prior to the Merger shall be and remain the Certificate of Incorporation of Parent Corporation, except that the Certificate of Incorporation of the Parent Corporation shall be amended solely to effect the Name Change, and paragraph 1 of the Certificate of Incorporation of the Parent Corporation shall be deleted in its entirety and replaced by substituting in lieu of said paragraph 1 the following new paragraph 1 as follows:

"1. The name of the corporation is Kura Oncology, Inc. (the "Corporation")."

2.2 The Bylaws of the Parent Corporation in effect immediately prior to the Effective Time shall be and remain the Bylaws of Parent Corporation until the same shall be altered, amended or repealed.

2.3 The directors and officers of the Parent Corporation in office at the Effective Time shall continue in office and shall constitute the directors and officers of Parent Corporation for the term elected until their respective successors shall be elected or appointed and shall have qualified.

ARTICLE III

The terms and conditions of the Merger with respect to each issued and outstanding shares of capital stock of the Constituent Corporations shall be as follows:

3.1 Each issued and outstanding share of capital stock of the Parent Corporation immediately prior to the Effective Time shall remain the issued and outstanding shares of the Parent Corporation.

3.2 Each issued and outstanding share of capital stock of the Subsidiary Corporation held by the Parent Corporation or in the Subsidiary Corporation's treasury immediately prior to the Effective Time shall be cancelled and extinguished without the payment of any consideration therefor.

ARTICLE IV

Each of the Constituent Corporations shall take or cause to be taken all actions or do or cause to be done all things necessary, proper or advisable under the laws of the State of Delaware to consummate and make effective the Merger.

ARTICLE V

This Agreement shall be binding upon and inure to the benefit of all of the parties hereto and their respective successors in interest.

ARTICLE VI

Notwithstanding anything herein to the contrary, this Agreement may be terminated and abandoned by the Board of Directors of the Parent Corporation at any time prior to the date of filing the Merger Certificate with the Secretary of State of the State of Delaware.

ARTICLE VII

The Board of Directors of the Parent Corporation may amend modify and supplement this Agreement in such a manner as it may determine at any time.

ARTICLE VIII

This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed counterparts to this Agreement delivered by facsimile, .pdf or other similar forms of electronic transmission shall be deemed effective as original signatures hereto.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement and Plan of Merger as of the date first written above.

PARENT CORPORATION:

ZETA ACQUISITION CORP. III

By: /s/ Troy E. Wilson
Name: Troy E. Wilson, Ph.D., J.D.
Title: Chairman, President and Chief Executive Officer

SUBSIDIARY CORPORATION:

KURA ONCOLOGY, INC.

By: /s/ Troy E. Wilson
Name: Troy E. Wilson, Ph.D., J.D.
Title: President

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
KURA ONCOLOGY, INC.

Kura Oncology, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of this corporation is Kura Oncology, Inc.

SECOND: The date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was November 16, 2007.

THIRD: The Certificate of Incorporation of said corporation shall be amended and restated to read in full as follows:

I.

The name of this corporation is Kura Oncology, Inc.

II.

The address of the registered office of the corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware, 19801 and the name of the registered agent of the corporation in the State of Delaware at such address is The Corporation Trust Company.

III.

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("***DGCL***").

IV.

A. This corporation is authorized to issue two classes of stock to be designated, respectively, "***Common Stock***" and "***Preferred Stock***." The total number of shares which the corporation is authorized to issue is 210,000,000 shares. 200,000,000 shares shall be Common Stock, each having a par value of $0.0001. 10,000,000 shares shall be Preferred Stock, each having a par value of $0.0001.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the corporation (the "***Board of Directors***") is hereby expressly authorized to provide for the issue of any or all of the unissued and undesignated shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be

permitted by the DGCL. The Board of Directors is also expressly authorized 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. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the corporation for their vote; *provided, however*, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together as a class with the holders of one or more other series of Preferred Stock, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

V.

For the management of the business and for the conduct of the affairs of the corporation, and in further definition, limitation and regulation of the powers of the corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. The management of the business and the conduct of the affairs of the corporation shall be vested in its Board of Directors. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Each director shall hold office either until the expiration of the term for which elected or appointed and until a successor has been elected and qualified, or until such director’s earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. Subject to the rights of any series of Preferred Stock that may be designated from time to time to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause. Subject to any limitation

imposed by law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66-2/3% of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors, voting together as a single class.

D. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock that may be designated from time to time, 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, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable 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.

E. Subject to the rights of the holders of any series of Preferred Stock that may be designated from time to time, the Board of Directors is expressly empowered to adopt, amend or repeal the Amended and Restated Bylaws of the corporation. Any adoption, amendment or repeal of the Amended and Restated Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Amended and Restated Bylaws of the corporation, subject to any restrictions that may be set forth in this Amended and Restated Certificate of Incorporation (including any certificate of designation that may be filed from time to time); *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by this Amended and Restated Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66-2/3% of the voting power of all of the then outstanding shares of the capital stock of the corporation entitled to vote generally at an election of directors, voting together as a single class.

F. The directors of the corporation need not be elected by written ballot unless the Amended and Restated Bylaws of the corporation so provide.

G. No action shall be taken by the stockholders of the corporation except at an annual or special meeting of stockholders called in accordance with the Amended and Restated Bylaws of the corporation. No action shall be taken by the stockholders of the corporation by written consent or electronic transmission.

H. 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 corporation shall be given in the manner provided in the Amended and Restated Bylaws of the corporation.

VI.

A. The liability of a director of the corporation for monetary damages shall be

eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the corporation (and any other persons to which applicable 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 such applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the corporation shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

A. Unless the corporation consents in writing to the selection of 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 (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 against the corporation or any director or officer or other employee of the corporation arising pursuant to any provision of the DGCL, the corporation's Certificate of Incorporation or Bylaws; or (4) any action asserting a claim against the corporation or any director or officer or other employee of the corporation governed by the internal affairs doctrine.

VIII.

A. The corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in Section B of this Article VIII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Amended and Restated 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 corporation required by law or by this Amended and Restated Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of the holders of at least 66-2/3% of the voting power of all of the then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI or VIII of this Amended

and Restated Certificate of Incorporation.

*** * * ***

FOURTH: This Amended and Restated Certificate of Incorporation has been duly adopted and approved by the Board of Directors.

FIFTH: This Amended and Restated Certificate of Incorporation has been duly adopted and approved by written consent of the stockholders in accordance with sections 228, 245 and 242 of the DGCL and written notice of such action has been given as provided in section 228.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been subscribed this __ day of _____, 2015 by the undersigned who affirms that the statements made herein are true and correct.

By: _____
Heidi Henson
Chief Financial Officer

[SIGNATURE PAGE TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION]

Exhibit 3.3

CERTIFICATE OF MERGER

MERGING

KURA OPERATIONS, INC.

WITH AND INTO

KURA ONCOLOGY, INC.

Pursuant to Section 251 of the General Corporation Law of the State of Delaware (the "DGCL"), the undersigned, a corporation incorporated and existing under and by virtue of the DGCL, does hereby certify that:

FIRST: The name and state of incorporation of each of the constituent corporations of the merger (each, a "Constituent Corporation" and, together, the "Constituent Corporations") is as follows:

Name	State of Incorporation
Kura Operations, Inc.	Delaware
Kura Oncology, Inc.	Delaware

SECOND An agreement and plan of merger has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the provisions of Section 251 of the DGCL.

THIRD: The name of the corporation surviving the merger shall be Kura Oncology, Inc. (the "Surviving Corporation").

FOURTH: At the effective time of the merger, the certificate of incorporation of the Surviving Corporation shall be amended and restated in its entirety as set forth in Exhibit A attached hereto.

FIFTH: A copy of the executed agreement and plan of merger is on file at the principal place of business of the Surviving Corporation, the address of which is 11119 N. Torrey Pines Road, Suite 125, La Jolla, CA 92037.

SIXTH: A copy of the agreement and plan of merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of either Constituent Corporation.

IN WITNESS WHEWREOF, the Surviving Corporation has caused this Certificate of Merger to be signed by an authorized officer, this 6th day of March, 2015.

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson, Ph.D.
Name: Troy Wilson, Ph.D.
Title: President and Chief Executive Officer

EXHIBIT A

CERTIFICATE OF INCORPORATION

OF

KURA OPERATIONS, INC.

I.

The name of this corporation is Kura Operations, Inc.

II.

The address of the Corporation's registered office in the State of Delaware is 160 Greentree Drive, Suite 101, City of Dover, County of Kent, 19904, and the name of the registered agent of the corporation in the State of Delaware at such address is National Registered Agents, Inc.

III.

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("DGCL").

IV.

This corporation is authorized to issue only one class of stock, to be designated Common Stock. The total number of shares of Common Stock which the corporation is presently authorized to issue is One Thousand (1,000) shares, each having a par value of one tenth of one cent ($0.001).

V.

A. The management of the business and the conduct of the affairs of the corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by the Board of Directors in the manner provided in the Bylaws.

B. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by this Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

VI.

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent under applicable law. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

B. Any repeal or modification of this Article VI shall be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

The corporation 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, and all rights conferred upon the stockholders herein are granted subject to this reservation.

CERTIFICATE OF OWNERSHIP AND MERGER
MERGING
KURA ONCOLOGY, INC.,
a Delaware Corporation,
WITH AND INTO
ZETA ACQUISITION CORP. III,
a Delaware corporation

(Pursuant to Section 253 of the
General Corporation Law of the State of Delaware)

* * * * *

Zeta Acquisition Corp. III, a Delaware corporation (the "Corporation"), does hereby certify to the following facts relating to the merger (the "Merger") of Kura Oncology, Inc., a Delaware corporation (the "Subsidiary"), with and into the Corporation, with the Corporation remaining as the surviving corporation under the name of Kura Oncology, Inc.:

FIRST: The Corporation is incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Subsidiary is incorporated pursuant to the DGCL.

SECOND: The Corporation owns all of the outstanding shares of common stock, par value $0.0001 per share, of the Subsidiary.

THIRD: The Board of Directors of the Corporation, by resolutions duly adopted by the Board of Directors by written consent on March 6, 2015, determined to merge the Subsidiary with and into the Corporation pursuant to Section 253 of the DGCL which resolutions are in the following words:

"RESOLVED:	That the Name Change Merger is hereby adopted and approved in all respects;
RESOLVED:	That the terms and conditions, and the execution, delivery and performance, of the Name Change Merger Agreement and the Name Change Certificate of Merger be, and the same hereby are, adopted and approved in all respects, and the Name Change Merger, the Name Change Certificate of Merger, the other transactions contemplated by the Name Change Merger Agreement, and all other actions or matters necessary or appropriate to give effect to the foregoing be, and the same hereby are, adopted and approved in all respects; and that the Authorized Officers be, and each of them acting singly hereby is, authorized, empowered and directed, for and on behalf of the Corporation and in its name, to execute, acknowledge and deliver the Name Change Merger Agreement and the Name Change Certificate of Merger, such execution and delivery to be conclusive evidence that such Name Change Merger Agreement and the Name Change Certificate of Merger so executed and delivered, and the transactions contemplated thereby, are authorized by this resolution;
RESOLVED:	That the Authorized Officers be, and each of them hereby is, authorized to execute and deliver any and all other documents as may be required to carry out the resolutions herein, including, but not limited to, certificates, affidavits, application, notices, and any document (including exhibits or schedules) pursuant thereto or to be delivered therewith (collectively, with the Name Change Merger Agreement and the Name Change Certificate of Merger, the "Name Change Merger Related Documents"), such approvals to be conclusively evidenced by the execution, delivery or indication thereof; and
RESOLVED:	That the Authorized Officers be, and each of them hereby is, authorized to take or cause to be taken any and all other action, including, without limitation, the execution, acknowledgement, filing, amendment and delivery of any and all papers, agreements, documents, instruments and certificates, as such officer may deem necessary or advisable to carry out and perform the obligations of the Corporation in connection with the transactions contemplated by the Name Change Merger and the Name Change Merger Related Documents including, but not limited to, any actions required in coordination with any governmental entity, and to otherwise carry out the

purposes and intent of the foregoing resolutions; the performance of any such acts and the execution, acknowledgement, filing and delivery by such officer of any such papers, agreements, documents, instruments and certificates shall conclusively evidence their authority therefor."

Such resolutions have not been modified or rescinded and are in full force and effect on the date hereof.

FOURTH: The Corporation shall be the surviving corporation.

FIFTH: The Certificate of Incorporation of the Corporation as in effect immediately prior to the effective time of the Merger shall be the certificate of incorporation of the surviving corporation, except that the text of paragraph 1 thereof shall be deleted in its entirety and replaced by substituting in lieu of said paragraph 1 the following new paragraph 1 as follows:

"1. The name of the corporation is Kura Oncology, Inc. (the "Corporation")."

SIXTH: That the Merger shall be effective upon filing of this Certificate of Ownership and Merger with the Secretary of State of the State of Delaware.

[Signature page follows.]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Ownership and Merger to be executed by its duly authorized officer this 6th day of March, 2015.

ZETA ACQUISITION CORP. III

By: /s/ Troy E. Wilson
Name: Troy E. Wilson, Ph.D., J.D.
Title: President and Chief Executive Officer

AMENDED AND RESTATED BYLAWS

OF

KURA ONCOLOGY, INC.
(A DELAWARE CORPORATION)

AMENDED AND RESTATED BYLAWS

OF

KURA ONCOLOGY, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the corporation's Board of Directors (the ***"Board of Directors"***), and may also have offices at such other places, both within and without the State of Delaware as 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 Board of Directors may adopt a 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

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (the ***"DGCL"***).

Section 5. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly 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. Nominations of persons for election to the Board of Directors of the corporation and the proposal

of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders (with respect to business other than nominations); (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b) of these Amended and Restated Bylaws (the ***"Bylaws"***), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the ***"1934 Act"***)) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws. Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee; (2) the principal occupation or employment of such nominee; (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee; (4) the date or dates on which such shares were acquired and the investment intent of such acquisition; (5) with respect to each nominee for election or re-election to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 5(e) of these Bylaws; and (6) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 5(b)(iv) of these Bylaws. The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14(a)-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws, and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws.

Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv) of these Bylaws.

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; *provided*, *however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "***Proponent***" and collectively, the "***Proponents***"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i) of these Bylaws) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii) of these Bylaws); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i) of these Bylaws) or to carry such proposal (with respect to a notice under Section 5(b)(ii) of these Bylaws); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

For purposes of Sections 5 and 6 of these Bylaws, a "***Derivative Transaction***" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation;

(x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation;

(y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or

(z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member.

(c) A stockholder providing written notice required by Section 5(b)(i) or (ii) of these Bylaws shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five business days prior to the meeting and, in the event of any adjournment or postponement thereof, five business days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two business days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 5(b)(iii) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the

Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(e) To be eligible to be a nominee for election or re-election as a director of the corporation pursuant to a nomination under clause (iii) of Section 5(a) of these Bylaws, such proposed nominee or a person on such proposed nominee's behalf must deliver (in accordance with the time periods prescribed for delivery of notice under Section 5(b)(iii) or 5(d) of these Bylaws, as applicable) 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 and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person: (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, 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 in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity 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 disclosed therein; and (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation.

(f) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 5(a) of these Bylaws, or in accordance with clause (iii) of Section 5(a) of these Bylaws. Except as otherwise required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E) of these Bylaws, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(g) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are

not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii) of these Bylaws.

(h) For purposes of Sections 5 and 6 of these Bylaws,

(i) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act; and

(ii) "***affiliates***" and "***associates***" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, or (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).

(b) The Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at such special meeting otherwise than specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i) of these Bylaws. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 5(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c) of these Bylaws. In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors to be considered pursuant to Section 6(c) of these Bylaws.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than 10 nor more than 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, in the case of special meetings, the purpose or purposes of the meeting, 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 any such meeting. If mailed, notice is deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If sent via electronic transmission, notice is deemed given as of the sending time recorded at the time of transmission. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder 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 stockholder 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.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the corporation's Amended and Restated Certificate of Incorporation ("***Certificate of Incorporation***"), or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. 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. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where

otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

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 present in person, by remote communication, if applicable, or represented by proxy at the meeting. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof 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 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. 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, as provided in Section 12 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, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two 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 votes, his act binds all; (b) if more than one votes, the act of the majority so voting binds all; or (c) if more than one 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 Delaware Court of Chancery for relief as provided in the DGCL, 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 clause (c) of this Section 11 shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, 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, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

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 or electronic transmission.

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 President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the President, shall 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 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. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. 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.

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. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter

as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16. Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Election of Directors. Directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Each director shall hold office either until the expiration of the term for which elected or appointed and until a successor has been elected and qualified, or until such director's earlier 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 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and 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, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, 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 a sole remaining director, and not by the stockholders, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected, 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. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, it shall be deemed effective at the time of delivery to the Secretary. 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 successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to the rights of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

(b) Subject to any limitations imposed by applicable law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66-2/3% of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors.

Section 21. Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

Section 22. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer or a majority of the authorized number of directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be 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 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, charges prepaid, at least three days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the 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.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 23. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 45 of these Bylaws for which a quorum shall be one-third of the exact number of directors fixed from time to time, 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 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 from time to time until the time fixed for the next regular meeting of the Board of Directors, 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 24. 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 transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 25. 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 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 26. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one 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 (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) 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 or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, 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 any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 26, 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 death or voluntary resignation from the committee or from the Board of Directors. 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 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 addition, 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 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 26 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and 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 place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the 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 time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special 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. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, 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.

Section 27. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary or other officer or director directed to do so by the Chairman, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 28. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers 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.

Section 29. 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. Any officer elected or appointed by the Board of Directors may be removed at any time 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 an officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer 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. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the 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 President. The President 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 or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer 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 President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(d) 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 Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) 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 provided for in these Bylaws and other duties commonly incident to the 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 President may direct any Assistant Secretary or other officer 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 the 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.

(f) 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 President. 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 the 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. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, 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 the 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.

(g) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and 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 President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the 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.

Section 30. Delegation of Authority. 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 31. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President 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 32. 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 by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 33. 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.

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 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations 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 President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock of the corporation, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, the Chief Executive Officer, or the President or any Vice President and by the Chief Financial Officer, Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate 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 were such officer, transfer agent, or registrar at the date of issue.

Section 36. Lost Certificates. A new certificate or certificates shall 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, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner’s legal representative, to agree to indemnify the corporation 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 37. 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, in the

case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(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 DGCL.

Section 38. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than 60 nor less than 10 days before the date of such meeting. 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*, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or 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, in advance, 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 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 39. 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 Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 40. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 35 of these Bylaws), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, President 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*, that 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. 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 41. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 42. 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 43. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 44. Indemnification of Directors, Officers, Employees and Other Agents.

(a) Directors and Officers. The corporation shall indemnify its directors and officers to the extent not prohibited by the DGCL or any other applicable law; *provided, however*, that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, *provided, further*, that the corporation shall not be required to indemnify any director or 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 by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Employees and Other Agents. The corporation shall have power to indemnify its employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether to indemnify any such employee or other agent to such officers or other persons as the Board of Directors so determines.

(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 officer, of the corporation, or is or was serving at the request of the corporation as a director or officer 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 any director or officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 44 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 44, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer 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 a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, 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 to directors and officers under this Section 44 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 director or officer. Any right to indemnification or advances granted by this Section 44 to a director or officer shall be enforceable by or on behalf of the person holding such right 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 90 days of request therefor. To the extent permitted by law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the 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 DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer 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 DGCL or any other applicable 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. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 44 or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding 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 not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or officer, or, if applicable,

employee or other agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable 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 44.

(h) Amendments. Any repeal or modification of this Section 44 shall only be prospective and shall not affect the rights under this Bylaw 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 Bylaw 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 officer to the full extent not prohibited by any applicable portion of this Section 44 that shall not have been invalidated, or by any other applicable law. If this Section 44 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) 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.

(ii) 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.

(iii) The term the "***corporation***" shall include, in addition to the resulting 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 Section 44 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "***director***," "***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, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "***other enterprise***" 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 such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the corporation***" as referred to in this Section 44.

ARTICLE XII

NOTICES

Section 45. Notices.

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 of these Bylaws. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally 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. 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, or other agent, 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.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, 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.

(e) Notice to Person with whom Communication is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or

Bylaws of the corporation, 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 DGCL, 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.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 46. Amendments. Subject to the limitations set forth in Section 44(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; *provided*, *however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66-2/3% of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS OR EMPLOYEES

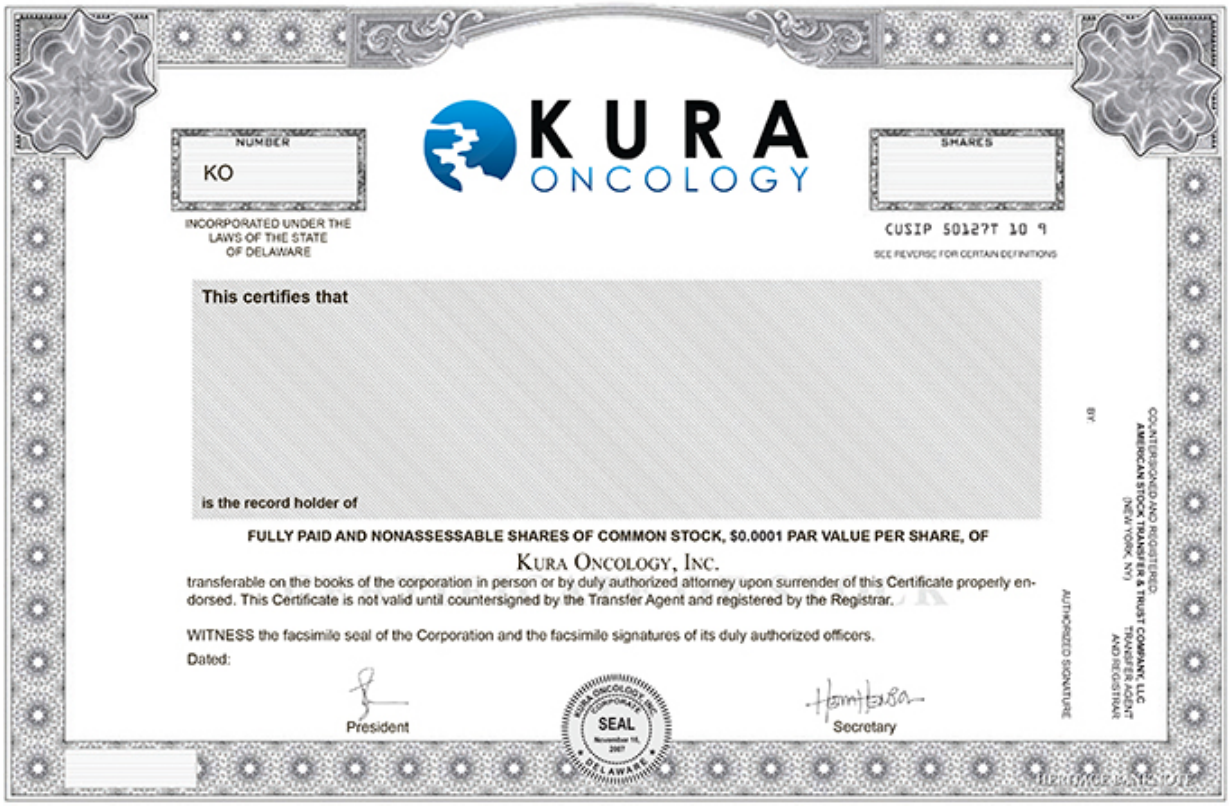
Section 47. Loans to Officers or Employees. Except as otherwise prohibited by applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director 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 48. Forum for Adjudication of Disputes. Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the corporation, (b) 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, (c) any action asserting a claim arising pursuant to any provision of the DGCL, or (d) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Section 48.



NUMBER

KO

SHARES

KURA ONCOLOGY

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 501277 10 9

SEE REVERSE FOR CERTAIN DEFINITIONS

This certifies that

is the record holder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $0.0001 PAR VALUE PER SHARE, OF

KURA ONCOLOGY, INC.

transferable on the books of the corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

President

SEAL

Secretary

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(NEW YORK, NY)
TRANSFER AGENT
AND REGISTRAR

BY

AUTHORIZED SIGNATURE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT 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)
TEN ENT	–	as tenants by the entireties		under Uniform Gifts to Minors	
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common		Act _____ (State)	
COM PROP	–	as community property	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(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares

of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____attorney-in-fact

to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

☒ _____

☒ _____

Signature(s) Guaranteed:

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 WHATSOEVER.

By _____

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. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

KURA ONCOLOGY, INC.

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of March 6, 2015, by and among (i) Kura Oncology, Inc., a Delaware corporation (the "Company"), (ii) each person listed on Schedule A attached hereto (together with any transferees who become parties hereto as "Investors" pursuant to Section 8(f), each individually, an "Investor" and collectively, the "Investors"), (iii) each officer or director of the Company or holder of Outstanding Capital Stock (as defined below) who becomes a party hereto as an "Existing Stockholder" by signing **Exhibit A** attached hereto, as listed on Schedule B (together with any transferees who become parties hereto as "Existing Stockholders" pursuant to Section 8(f), each individually, an "Existing Stockholder" and collectively, the "Existing Stockholders"), and (iv) Zeta Acquisition Corp. III, a Delaware corporation ("Zeta"), but only for purposes of assuming all of the Company's rights, duties and obligations hereunder pursuant to Section 8. The Investors and Existing Stockholders are referred to herein, collectively, as the "Stockholders". In the event that a Person is both an Investor and an Existing Stockholder, then, to the extent that the provisions of this Agreement apply differently to Investors than Existing Stockholders, such provisions shall apply to such Person as an Investor with respect to the shares of Common Stock acquired pursuant to the Purchase Agreement (as defined herein) and as an Existing Stockholder with respect to the shares of Common Stock that were Outstanding Capital Stock. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Section 8(q) herein.

BACKGROUND

The Company has agreed to issue and sell to the Investors, and the Investors have agreed to purchase from the Company, up to an aggregate of 18,971,136 shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), upon the terms and conditions set forth in that certain Common Stock Purchase Agreement, dated of even date herewith, by and among the Company and the Investors (the "Purchase Agreement"). As a condition to the closing of the transactions contemplated by the Purchase Agreement (the "Closing"), the officers, directors and existing stockholders of the Company are required to become counterparties to this Agreement as Existing Stockholders and Stockholders.

AGREEMENT

1. *Shelf Registration*. So long as any Registrable Shares are outstanding, the Company shall take the following actions:

(a) The Company shall, as soon as practicable but in any event by the Filing Deadline, file with the Securities and Exchange Commission (the "Commission"), and thereafter use its reasonable best efforts to cause to be declared effective as soon as practicable, an initial registration statement (the "Shelf Registration Statement") on an appropriate form under the Securities Act relating to the offer and sale of the Registrable Shares by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities

Act (hereinafter, the "Shelf Registration"). Such Shelf Registration Statement shall include the plan of distribution attached hereto as **Exhibit B**, as may be modified in response to any comments received from the Commission.

Notwithstanding the foregoing, if the Commission prevents the Company from including any or all of the Registrable Shares on the initial Shelf Registration Statement due to limitations on the use of Rule 415 of the Securities Act for the resale of the Registrable Shares by the Holders (a "Rule 415 Limitation"), the initial Shelf Registration Statement shall register the resale of a number of shares of Common Stock which is equal to the maximum number of shares as is permitted by the Commission, and, subject to the provisions of this Section 1(a), the Company shall continue to use its reasonable best efforts to register all remaining Registrable Shares as set forth in this Section 1. In such event, the Registrable Shares to be registered pursuant to the initial Shelf Registration Statement that were originally issued pursuant to the Purchase Agreement shall be included prior to any other Registrable Shares, *provided, however*, that, in accordance with the foregoing, the number of shares to be included that were Outstanding Capital Stock shall be reduced *pro rata* among the Registrable Shares that were Outstanding Capital Stock and the number of shares to be included that were originally issued pursuant to the Purchase Agreement shall be reduced *pro* rata among the Registrable Shares that were originally issued pursuant to the Purchase Agreement. The Company shall continue to use its reasonable best efforts to register all remaining Registrable Shares as promptly as practicable in accordance with the applicable rules, regulations and guidance of the Commission, but in no event will the Company be required to file a subsequent Shelf Registration Statement with respect to the registration of the resale of Registrable Shares held by the Holders earlier than 180 calendar days following the effective date of the initial Shelf Registration Statement. Notwithstanding anything herein to the contrary, if the Commission, by written comment, limits the Company's ability to file, or prohibits or delays the filing of, a Shelf Registration Statement with respect to any or all the Registrable Shares which were not included in the initial Shelf Registration Statement (a "Subsequent Shelf Limitation"), the Company's compliance with such limitation, prohibition or delay solely to the extent of such limitation, prohibition or delay shall not be a breach or default by the Company under this Agreement and shall not be deemed a failure by the Company to use "reasonable efforts," "reasonable best efforts" or "best efforts" as set forth above or elsewhere in this Agreement and shall not require the payment of any liquidated damages by the Company under this Agreement (including pursuant to Section 1(d)). Unless otherwise specifically stated herein, the term "Shelf Registration Statement" shall refer individually to the initial Shelf Registration Statement and to each subsequent Shelf Registration Statement, if any.

(b) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective, in order to permit the prospectus included therein to be lawfully delivered by the Holders of the Registrable Shares included therein, until the earlier of (i) the date on which all Registrable Shares cease to be Registrable Shares and (ii) the later of the third anniversary of the date (A) the Shelf Registration Statement is declared effective and (B) all Registrable Shares held by Holders who have delivered a Notice and Questionnaire to the Company in accordance with Section 3(a) have been registered pursuant to the Shelf Registration Statement to the extent required by Section 1(a) (such period being called the "Shelf Registration Period"). The Company shall be

deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Registration Period if it voluntarily takes, or fails to take, any action that would directly result in Holders of Registrable Shares covered thereby not being able to offer and sell such Registrable Shares during such period, unless such action is required by applicable law or except as provided in Section 3(h).

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause (i) the Shelf Registration Statement (as of the effective date of the Shelf Registration Statement), any amendment thereof (as of the effective date thereof) or supplement thereto (as of its date), (A) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (B) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, and (ii) any related prospectus, preliminary prospectus or Free Writing Prospectus and any amendment thereof or supplement thereto, as of its date, (A) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (B) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, the Company shall have no such obligations or liabilities with respect to any written information pertaining to any Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein.

(d) If (i) the initial Shelf Registration Statement is not filed by the Filing Deadline, (ii) the initial Shelf Registration Statement is not declared effective by the Effectiveness Deadline, or (iii) the Company suspends (other than as permitted pursuant to Section 3(h)(iv) or as required to satisfy a request under Section 3(a)) or terminates the Shelf Registration Statement prior to the expiration of the Shelf Registration Period, and such suspension or termination, alone exceeds 30 consecutive days, or when taken together with all other suspensions during the preceding 12-month period, if any, exceeds 60 days in the aggregate (the "Permissible Deferral Period"), then in each such case the Company will make *pro rata* payments to each Investor that continues to hold Registrable Shares, as liquidated damages and not as a penalty, in an amount equal to 1.0% of the aggregate purchase price paid by such Investor to acquire the Registrable Shares issued pursuant to the Purchase Agreement then held by such Investor for each 30-calendar day period (or *pro rata* portion thereof) following (A) the Filing Deadline through and until the Company shall have filed the initial Shelf Registration Statement with the Commission, (B) the Effectiveness Deadline through and until the initial Shelf Registration Statement is declared effective, or (C) any Permissible Deferral Period during which the Shelf Registration Statement is unavailable (for the purposes of this paragraph, each such period shall be referred to as a "Blackout Period" for the Shelf Registration Statement); *provided*, *however*, that in no event shall the aggregate liquidated damages payable by the Company to any Investor exceed 5% of the aggregate purchase price paid by such Investor for all Common Stock acquired by such Investor pursuant to the Purchase Agreement (for the avoidance of doubt, if an Investor holds Registrable Shares initially issued pursuant to the Purchase Agreement and also holds Registrable Shares that were Outstanding Capital Stock, then only the Registrable Shares issued pursuant to the Purchase Agreement and

not any Registrable Shares that were Outstanding Capital Stock shall be subject to the damages set forth in this Section 1(d)). The amounts payable as liquidated damages pursuant to this paragraph shall be paid in lawful money of the United States within three (3) Business Days of the last day of each 30-calendar day period following the commencement of a Blackout Period until the termination of such Blackout Period.

2. *Additional Registration Rights.* Until the effective date of the Shelf Registration Statement for all Investors and, following such effective date and during the Shelf Registration Period, for any Investor only at such time and to the extent any Registrable Shares then held by such Investor are not registered pursuant to the Shelf Registration Statement (or the Shelf Registration Statement is otherwise unavailable) for any reason other than such Investor's failure to deliver a Notice and Questionnaire to the Company in accordance with Section 3(a) or a Rule 415 Limitation, the Investors (as applicable) shall have additional rights with respect to any Registrable Shares, as follows (for clarity, as used in this Section 2, (i) any reference to "Holder," "Holders," "Investor," "Investors" and "Institutional Investors" shall apply only to any such parties that are entitled to registration rights pursuant to this Section 2 at the applicable time, and (ii) any reference to "Registrable Shares" shall apply only to any Registrable Shares to which the registration rights pursuant to this Section 2 apply at the applicable time):

(a) Form S-3 Demand Registration.

(i) If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Institutional Investors holding at least a majority of the Registrable Shares issued to the Institutional Investors in the Offering then outstanding that the Company file a Form S-3 registration statement covering at least 20% of the outstanding Registrable Shares of such Institutional Investors (the "Initiating Holders"), then the Company shall (i) within ten (10) days after the date such request is given, give a notice (a "Demand Notice") to all Investors other than the Initiating Holders; and (ii) as soon as reasonably practicable, and in any event within forty five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Shares requested to be included in such registration by such Investors, as specified by notice given by each such Investor to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations set forth in Sections 2(a)(ii) and (iii) and Section 2(c).

(ii) Notwithstanding the foregoing obligations, if the Company furnishes to Investors requesting a registration pursuant to Section 2(a)(i) a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's board of directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (A) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company, (B) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential, or (C) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action

with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days; *provided, however*, that the Company may not invoke this right more than once in any twelve (12) month period.

(iii) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2(a)(i): (A) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on the date that is ninety (90) days after the effective date of, a Company-initiated registration other than an Excluded Registration, *provided* that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (B) if the Company has effected two (2) registrations pursuant to Section 2(a)(i) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2(a)(iii) until such time as the applicable registration statement has been declared effective by the Commission, unless the Initiating Holders withdraw their request for such registration, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2(a)(iii); *provided* that if, at the time of such withdrawal, the Investors shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Investors at the time of their request and have withdrawn the request with reasonable promptness after learning of such information, then such withdrawn registration statement shall not be deemed "effected" for purposes hereof.

(b) Piggyback Registration Rights. If the Company proposes to register any of its Common Stock in a firm commitment underwritten offering, the Company shall, at such time, promptly give each Investor notice of such registration. Upon the request of each Investor given within fifteen (15) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2(c), cause to be registered all of the Registrable Shares that each such Investor has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2(b) before the effective date of such registration, whether or not any Investor has elected to include Registrable Shares in such registration.

(c) Underwriting Requirements. The Company shall not be required to include any of the Holders' Registrable Shares in an underwritten offering under Section 2(a) or 2(b) hereof unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Shares, requested by Holders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Shares, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Shares requested to be registered can be included in such offering, then the Registrable

Shares that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Shares owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the number of Registrable Shares included in the offering that are held by Investors be reduced unless all other securities (other than securities to be sold by the Company) are subject to a comparable pro rata cutback. For purposes of the provision in this Section 2(c) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Shares owned by all Persons included in such "selling Holder," as defined in this sentence. Notwithstanding the foregoing, in the event of an underwritten public offering pursuant to which Holders of Registrable Shares request participation pursuant to Section 2(b) hereof within one year after the date hereof, the Registrable Shares to be registered pursuant to such piggy back rights that were originally issued pursuant to the Purchase Agreement shall be included prior to any other Registrable Shares and, in accordance with the foregoing, the number of shares to be included that were Outstanding Capital Stock shall be reduced *pro rata* among the Registrable Shares that were Outstanding Capital Stock and the number of shares to be included that were originally issued pursuant to the Purchase Agreement shall be reduced *pro rata* among the Registrable Shares that were originally issued pursuant to the Purchase Agreement.

(d) Incorporation of Other Rights and Obligations under this Agreement. The rights and obligations of the Company and the Holders pursuant to Sections 3 through 8 of this Agreement shall apply with respect to this Section 2 as if the registration statement filed by the Company pursuant to this Section 2 was a Shelf Registration Statement.

3. *Registration Procedures*. In connection with the Shelf Registration contemplated by Section 1 hereof, the following provisions shall apply:

(a) At the time the Commission declares the Shelf Registration Statement effective, each Holder shall be named as a selling stock holder in the Shelf Registration Statement and the related prospectus in such a manner as to permit such Holder to deliver such prospectus to purchasers of Registrable Shares included in the Shelf Registration Statement in accordance with applicable law, subject to the terms and conditions hereof; *provided, however,* that the Company agrees to name as a selling stockholder in the Shelf Registration Statement only each Holder from which the Company has received a Notice and Questionnaire in the form attached hereto as **Exhibit C** (a "Notice and Questionnaire"), on or prior to the third (3rd) Business Day before the effective date of the Shelf Registration Statement. From and after the date the Shelf Registration Statement is declared effective, any Institutional Investor not named as a selling stockholder in the Shelf Registration Statement at the time of effectiveness and who completes a Notice and Questionnaire may request that the Company amend or supplement the Shelf Registration Statement to include such Institutional Investor as a selling stockholder, and the Company shall, as promptly as practicable and in any event upon the later of (x) five (5) Business Days after such date or (y) five (5) Business Days after the expiration of any Deferral

Period (as defined in Section 3(h)) that is either in effect or put into effect within five (5) Business Days of such date:

(i) if required by applicable law, prepare and file with the Commission a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related prospectus or a supplement or amendment to any document incorporated therein by reference or file with the Commission any other required document so that the Institutional Investor is named as a selling stockholder in the Shelf Registration Statement and the related prospectus in such a manner as to permit such Institutional Investor to deliver such prospectus to purchasers of such Institutional Investor's Registrable Shares included in the Shelf Registration Statement in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, use its reasonable best efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable;

(ii) provide such Holder copies of any documents filed pursuant to Section 3(a)(i); and

(iii) notify such Institutional Investor as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 3(a)(i);

provided, that if the request by such Institutional Investor is delivered during a Deferral Period, the Company shall so inform the Institutional Investor making such request and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with this Section 3(a) and Section 3(h) of this Agreement.

(b) The Company shall notify the Holders of the Registrable Shares included within the coverage of the Shelf Registration Statement (which notice may, at the discretion of the Company (or as required pursuant to Section 3(h)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(h) shall apply):

(i) when the Shelf Registration Statement or any amendment thereto has been filed with the Commission and when the Shelf Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Shelf Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of any proceedings for that purpose and of any other action, event or failure to act that would cause the Shelf Registration Statement not to remain effective;

(iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any Registrable Shares for sale in any jurisdiction or the initiation of any proceeding for such purpose; and

(v) of the occurrence of any Material Event (as defined in Section 3(h)).

Any notice delivered in connection with any of the events described in Sections 3(b)(i) through (iv) shall include copies of any written correspondence or other documents received by the Company from the Commission or any other regulatory body (including any exchange upon which the Registrable Shares are then traded) relating thereto.

(c) The Company shall use its reasonable best efforts to obtain the withdrawal at the earliest possible time of any stop order suspending the effectiveness of the Shelf Registration Statement and the elimination of any other impediment to the continued effectiveness of the Shelf Registration Statement.

(d) The Company shall promptly furnish to each Holder of Registrable Shares included within the coverage of the Shelf Registration Statement, without charge, if the Holder so requests in writing, conformed copies of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules and all exhibits thereto (including those, if any, incorporated by reference).

(e) The Company shall promptly deliver to each Holder of Registrable Shares included within the coverage of the Shelf Registration Statement, without charge, ten (10) copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment thereof or supplement thereto and any Free Writing Prospectus used in connection therewith as such Holder may reasonably request. The Company consents, subject to the provisions of this Agreement and except during such periods that a Deferral Notice is outstanding and has not been revoked, to the use of the prospectus and each amendment or supplement thereto used in connection therewith by each of the selling Holders in connection with the offering and sale of the Registrable Shares covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(f) The Company shall use reasonable efforts to register or qualify, or cooperate with the Holders of the Registrable Shares included in the Shelf Registration Statement and their respective counsel in connection with the registration or qualification of, the resale of the Registrable Shares under the securities or "blue sky" laws of such states of the United States as any Holder requests in writing and to do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Registrable Shares covered by the Shelf Registration Statement; *provided*, *however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process or to taxation in any jurisdiction to which it is not then so subject.

(g) The Company shall, at its sole expense, upon notice from any Holder of Registrable Shares timely prepare and deliver certificates representing the Registrable Shares to be delivered to a transferee pursuant to the Shelf Registration Statement, which certificates shall be free of any restrictive legends and in such denominations and registered in such names as the Holders may request.

(h) Upon (i) the issuance by the Commission of a stop order suspending the effectiveness of the Shelf Registration Statement or the initiation of proceedings with respect to the Shelf Registration Statement under Section 7(d) or 7(e) of the Securities Act, (ii) the occurrence of any event or the existence of any fact (a "Material Event") as a result of which (x) the Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to

make the statements therein not misleading or (y) any prospectus included in the Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) the occurrence or existence of any pending corporate development that, in the reasonable judgment of the Company, makes it necessary to suspend the availability of the Shelf Registration Statement and the related prospectus for a period of time, or (iv) the Company's having filed a document pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act that, in the reasonable judgment of the Company, must be included in the Shelf Registration Statement pursuant to a post-effective amendment to the Shelf Registration Statement or supplement to the related prospectus (any such document, an "Exchange Act Report"):

(A) in the case of clause (ii) above, subject to clause (C) below, as promptly as practicable, the Company shall prepare and file, if necessary pursuant to applicable law, a post-effective amendment to the Shelf Registration Statement or a supplement to the related prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into the Shelf Registration Statement and related prospectus so that (1) the Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (2) such prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Shares being sold thereunder, and, in the case of a post-effective amendment to the Shelf Registration Statement, subject to the next sentence, use reasonable best efforts to cause it to be declared effective as promptly as is practicable;

(B) in the case of clause (iv) above, subject to clause (C) below, as promptly as practicable, but in no event more than five (5) Business Days, following the Company's filing of an Exchange Act Report, the Company shall prepare and file, if necessary, pursuant to applicable law, a post-effective amendment to the Shelf Registration Statement or a supplement to the related prospectus incorporating by reference the Exchange Act Report into the Shelf Registration Statement or including within such post-effective amendment or supplement the information contained in the related Exchange Act Report; and

(C) the Company shall give notice to the Holders with respect to the Shelf Registration Statement, that the availability of the Shelf Registration Statement is suspended (a "Deferral Notice") and, upon receipt of any Deferral Notice, each Holder agrees not to sell any Registrable Shares pursuant to the Shelf Registration Statement until such Holder's receipt of copies of the supplemented or amended prospectus provided for in clause (A) or (B) above, or until it is advised in writing by the Company that the prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such prospectus.

The Company will use its reasonable best efforts to ensure that the use of the prospectus with respect to the Shelf Registration Statement may be resumed (w) in the case of clause (i) above, as promptly as is practicable, (x) in the case of clause (ii) above, as soon as, in the reasonable judgment of the Company, public disclosure of such Material Event would not be prejudicial to or contrary to the material interests of the Company, (y) in the case of clause (iii) above, as soon as, in the reasonable judgment of the Company, such suspension is no longer necessary; *provided*, that in no event shall (A) any suspension arising from events described in clauses (ii) and (iii) above exceed 30 days, (B) the aggregate duration of all suspensions arising from events described in clauses (ii) and (iii) above exceed 60 days in any 12-month period, or (C) a suspension arising from an event described in clause (ii) or clause (iii) above be invoked more than twice in any 12-month period or arise within thirty (30) days after the termination of a previous suspension, and (z) in the case of clause (iv) above, as soon as practicable following the filing of the Exchange Act Report, but in no event sooner than the Commission has declared the post-effective amendment, if applicable, effective. Any such period during which the availability of the Shelf Registration Statement and any related prospectus is suspended is referred to as the "Deferral Period."

(i) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, no later than forty-five (45) days after the end of a 12-month period (or ninety (90) days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Shelf Registration Statement, which statement shall cover such 12-month period.

(j) If requested in writing in connection with a disposition of Registrable Shares pursuant to the Shelf Registration Statement, the Company shall make reasonably available for inspection during normal business hours by a representative for the Holders of a majority of the number of such Registrable Shares or any individual Institutional Investor that so requests, any broker-dealers, attorneys and accountants retained by such holders, and any attorneys or other agents retained by a broker-dealer engaged by such Holders, all relevant financial and other records and pertinent corporate documents and properties of the Company and its subsidiaries, and cause the appropriate officers, directors and employees of the Company and its subsidiaries to make reasonably available for inspection during normal business hours on reasonable notice all relevant information reasonably requested by such representative for the Holders or any individual Institutional Investor, or any such broker-dealers, attorneys or accountants in connection with such disposition, in each case as is customary for similar "due diligence" examinations; *provided*, that such persons shall first agree in writing with the Company that any information that is reasonably and in good faith designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons and shall be used solely for the purposes of exercising rights under this Agreement, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure

requirements pursuant to federal securities laws in connection with the filing of the Shelf Registration Statement or the use of any prospectus or Free Writing Prospectus referred to in this Agreement) or (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by any such person, and provided further that the foregoing inspection and information gathering shall, to the greatest extent possible, be coordinated on behalf of all the Holders and the other parties entitled thereto by one legal counsel designated by the Lead Investor and reasonably acceptable to the Company (a "Lead Investor Counsel").

(k) The Company shall (i) permit such Lead Investor Counsel to review and comment upon (A) the Shelf Registration Statement at least five (5) Business Days prior to its filing with the Commission and (B) all Free Writing Prospectuses and all amendments and supplements to the Shelf Registration Statement within a reasonable number of days, but in any event not less than two (2) Business Days, prior to their filing with the Commission, and (ii) not file the Shelf Registration Statement or amendment thereof or supplement thereto or any Free Writing Prospectus in a form to which such Lead Investor Counsel reasonably objects. The Company shall furnish to such Lead Investor Counsel, without charge, (x) copies of any correspondence from the Commission or the staff of the Commission to the Company or its representatives relating to the Shelf Registration Statement or any document incorporated by reference therein, (y) promptly after the same is prepared and filed with the Commission, one copy of the Shelf Registration Statement and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, if requested by a Holder, and all exhibits thereto; and (z) promptly upon the effectiveness of the Shelf Registration Statement, one copy of the prospectus included in the Shelf Registration Statement and all amendments and supplements thereto. The Company shall reasonably cooperate with such Lead Investor Counsel in performing the Company's obligations pursuant to this Section 3.

(l) If requested by a Holder, the Company shall as soon as practicable (i) incorporate in a prospectus supplement or post-effective amendment such information as such Holder requests to be included therein relating to the sale and distribution of Registrable Shares, including, without limitation, information with respect to the number of Registrable Shares being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Shares to be sold in such offering; (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Shelf Registration Statement if reasonably requested by a Holder holding any Registrable Shares.

4. *Holder's Obligations; Lock-Up Agreements.*

(a) Shelf Registration Statement. Each Holder agrees that no Holder of Registrable Shares shall be entitled to sell any of such Registrable Shares pursuant to the Shelf Registration Statement or to receive a prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 3(a) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence, unless the Company *in its sole discretion* determines to include the Registrable Shares in the Shelf

Registration after receiving similar information as would be contained in the Notice and Questionnaire from sources that it deems to be reliable. Each such Holder agrees promptly to furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not misleading and any other information regarding such Holder and the distribution of such Registrable Shares as may be required to be disclosed in the Shelf Registration Statement under applicable law or pursuant to Commission comments. Each Holder further agrees not to sell any Registrable Shares pursuant to the Shelf Registration Statement without delivering, or causing to be delivered, the prospectus included in such Shelf Registration Statement to the purchaser thereof (or otherwise delivering such a prospectus in accordance with applicable law).

(b) Full Lock-Up Agreement of the Existing Stockholders.

(i) Subject to Section 4(b)(ii), each Existing Stockholder hereby agrees that, for a period (the "Lock-Up Period") beginning on the Closing and ending on the later of (i) 180 calendar days after the date on which the Zeta common stock is listed for trading on the New York Stock Exchange, the NYSE-Mkt, or the NASDAQ Stock Market (each a "National Exchange") or (ii) twelve (12) months after the Closing, such Existing Stockholder shall not sell, transfer, dispose of, contract to sell, sell any option or contract to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Zeta common stock beneficially owned by such Existing Stockholder or any securities convertible into or exercisable or exchangeable therefor (collectively, the "Existing Stockholder Restricted Shares"); *provided, however,* that Section 4(c) and not this Section 4(b) shall apply to any shares of Zeta common stock that are issued in the Merger in exchange for shares of Common Stock acquired by an Existing Stockholder pursuant to the Purchase Agreement. Notwithstanding the foregoing, the Existing Stockholders may exchange the shares of Common Stock beneficially owned by them for shares of Zeta common stock pursuant to the Merger.

(ii) Notwithstanding Section 4(b)(i), and subject to the conditions below, following the Merger, an Existing Stockholder may transfer his, her or its Existing Stockholder Restricted Shares, provided that each donee, trustee, distributee, or transferee, as the case may be (except in the case of clause (E)), signs an Adoption Agreement or other instrument agreeing to the provisions of Section 4(b) hereof:

(A) as a *bona fide* gift or gifts;

(B) to any immediate family member of the Existing Stockholder or any trust for the direct or indirect benefit of the Existing Stockholder or the immediate family of the Existing Stockholder (for purposes hereof, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

(C) by operation of law, including domestic relations orders;

(D) by testate succession or intestate distribution;

(E) as a forfeiture of shares of Zeta common stock or other securities solely to Zeta in a transaction exempt from Section 16(b) of the Exchange Act in connection with the payment of taxes due upon the exercise of options to purchase Zeta common stock or vesting of other securities pursuant to any Company or Zeta employee benefit plan;

(F) as a distribution to limited partners, members, stockholders or other securityholders of the Existing Stockholder (or their equivalents under the jurisdiction of organization of the Existing Stockholder) or, if the Existing Stockholder is a trust, to the beneficiaries of the Existing Stockholder; or

(G) to the Existing Stockholder's affiliates or to any investment fund or other entity controlled or managed by, or under common control or management by, the Existing Stockholder.

Furthermore, during the Lock-Up Period, each Existing Stockholder may (x) sell shares of Zeta common stock purchased by the Existing Stockholder on the open market or in connection with any follow-on securities offering by Zeta after the Merger (subject to any lock-up agreement that may be entered into in connection with such offering), (y) exercise any stock options granted pursuant to the Company's or Zeta's equity incentive plans or warrants to purchase Zeta common stock, so long as the shares of Zeta common stock received upon such exercise shall remain subject to the terms of Section 4(b) of this Agreement, or (z) establish a contract, instruction or plan (a "Rule 10b5-1 Plan") that complies with the requirements of Rule 10b5-1(c)(1) under the Exchange Act at any time during the Lock-Up Period (provided that, during the Lock-Up Period, the Existing Stockholder shall not transfer any of the Zeta common stock or other securities under such Rule 10b5-1 Plan except as provided herein).

(c) Limited Lock-Up Agreement of the Investors. Each Investor hereby agrees that, for a period beginning on the date of the Closing and ending on the earlier of (i) the date on which the Zeta common stock is listed on the OTC Bulletin Boards, OTCQB, OTCQX or a National Exchange and (ii) 180 calendar days following the date of the Closing, such Investor shall not sell, transfer, dispose of, contract to sell, sell any option or contract to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Zeta common stock as are issued in the Merger (the "Investor Restricted Shares") and beneficially owned by such Investor or any securities convertible into or exercisable or exchangeable for such Investor Restricted Shares. In addition, each Investor that is not an Institutional Investor shall continue to hold at least one hundred (100) Investor Restricted Shares until the Zeta common stock is listed on a National Exchange. Notwithstanding the foregoing, (i) the Investors may exchange the shares of Common Stock beneficially owned by them for shares of Zeta common stock pursuant to the Merger, and (ii) following the Merger, an Institutional Investor may transfer the Investor Restricted Shares held by such Institutional Investor (provided that each trustee, distributee or transferee, as the case may be, signs an Adoption Agreement or other instrument agreeing to the provisions of this Section 4(c)): (x) as a distribution to limited partners, members, stockholders or other securityholders of the Institutional Investor (or

their equivalents under the jurisdiction of organization of the Institutional Investor) or, if the Institutional Investor is a trust, to the beneficiaries of the Institutional Investor; or (y) to the Institutional Investor's affiliates or to any investment fund or other entity controlled or managed by, or under common control or management by, the Institutional Investor. Any discretionary waiver or termination of the lock-up restrictions set forth in this Section 4(c) by the Company or any underwriter shall apply pro rata to all Investors subject to such restrictions, based on the number of shares subject to such agreements.

(d) Securities Law Compliance. The Holders will not make any transfer or disposition of any of the Registrable Shares except in compliance with the Securities Act or pursuant to an exemption therefrom.

5. *Registration Expenses*.

(a) All fees and expenses incident to the Company's performance of and compliance with this Agreement will be borne by the Company, regardless of whether the Shelf Registration Statement is ever filed or becomes effective, including without limitation:

(i) all registration and filing fees and expenses;

(ii) all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;

(iii) all expenses of printing (including, without limitation, printing certificates and prospectuses), messenger and delivery services and telephone;

(iv) all fees and disbursements of counsel for the Company;

(v) all application and filing fees in connection with listing on a national securities exchange or automated quotation system pursuant to the requirements hereof; and

(vi) all fees and disbursements of independent certified public accountants of the Company (including, without limitation, the expenses of any special audit required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

(b) In connection with the filing of the Shelf Registration Statement, the Company will reimburse the reasonable fees and disbursements of the Lead Investor Counsel, such amount not to exceed $25,000. In connection with the filing of one or more registration statements in compliance with Section 2 hereof, the Company will reimburse the reasonable fees and disbursements of the Lead Investor Counsel, such amount not to exceed $25,000 in the aggregate (in addition to and not including the $25,000 described in the prior sentence). The reimbursements described in this Section 5(b) are separate from and in addition to those described in Section 7 of the Purchase Agreement.

6. *Indemnification*.

(a) The Company agrees to indemnify and hold harmless each Holder of the Registrable Shares included within the coverage of the Shelf Registration Statement, the

directors, officers, employees, Affiliates and agents of each such Holder and each person who controls any such Holder within the meaning of the Securities Act or the Exchange Act (collectively, the "Holder Indemnified Parties") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof to which each Holder Indemnified Party may become subject under the Securities Act or the Exchange Act, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Shelf Registration Statement or in any amendment thereof, in each case at the time such became effective under the Securities Act, or in any Disclosure Package, prospectus or in any amendment thereof or supplement thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Disclosure Package or any prospectus, in the light of the circumstances under which they were made) not misleading, and shall reimburse, as incurred, the Holder Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; *provided*, *however*, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or omission made in the Shelf Registration Statement, the Disclosure Package, any prospectus or in any amendment thereof or supplement thereto in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder Indemnified Party specifically for inclusion therein; *provided further, however*, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in the Disclosure Package, where (i) such statement or omission had been eliminated or remedied in any subsequently filed amended prospectus, prospectus supplement or Free Writing Prospectus (the Disclosure Package, together with such updated documents, the "Updated Disclosure Package"), the filing of which the applicable Holder had been notified in accordance with the terms of this Agreement, (ii) such Updated Disclosure Package was available at the time the Holder sold Registrable Shares under the Shelf Registration Statement, (iii) such Updated Disclosure Package was not furnished by the Holder to the person or entity asserting the loss, liability, claim, damage or liability at or prior to the time such furnishing is required by the Securities Act and (iv) the Updated Disclosure Package would have cured the defect giving rise to such loss, liability, claim, damage or action; and *provided further*, *however*, that this indemnity agreement will be in addition to any liability that the Company may otherwise have to such Holder Indemnified Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Indemnified Parties and shall survive the transfer of the Registrable Shares by any Holder.

(b) Each Holder of the Registrable Shares covered by the Shelf Registration Statement severally, and not jointly, agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Shelf Registration Statement, as well as any officers, employees, Affiliates and agents of the Company, and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (a "Company Indemnified Party") from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which a Company Indemnified Party may

become subject under the Securities Act or the Exchange Act, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Shelf Registration Statement or in any amendment thereof, in each case at the time such became effective under the Securities Act, or in any Disclosure Package, prospectus or in any amendment thereof or supplement thereto, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Disclosure Package or any prospectus, in the light of the circumstances under which they were made) not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability that such Holder may otherwise have to the Company Indemnified Parties. Notwithstanding any other provision of this Section 6(b), no Holder shall be required to indemnify or hold harmless any Company Indemnified Party in an amount in excess of the amount by which the net proceeds received by such Holder from the sale of the Registrable Shares pursuant to the Shelf Registration Statement exceeds the amount of damages that such Holder has otherwise been required to pay by reason of such untrue statement or omission.

(c) Promptly after receipt by a Holder Indemnified Party or a Company Indemnified Party (each, an "Indemnified Party") of notice of the commencement of any action or proceeding (including a governmental investigation), such Indemnified Party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party of the commencement thereof; but the omission to so notify the indemnifying party will not relieve the indemnifying party from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and the indemnifying party has been materially prejudiced by such failure. In case any such action is brought against any Indemnified Party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the indemnifying party), and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof the indemnifying party will not be liable to such Indemnified Party under this Section 6 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such Indemnified Party in connection with the defense thereof; *provided*, *however*, if such Indemnified Party shall have been advised by counsel that there are one or more defenses available to it that are in conflict with those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), the reasonable fees and expenses of such Indemnified Party's counsel shall be borne by the indemnifying party. In no event shall the

indemnifying party be liable for the fees and expenses of more than one counsel (together with appropriate local counsel) at any time for any Indemnified Party in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the Indemnified Party (not to be unreasonably withheld or delayed), effect any settlement of any pending or threatened action in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party unless such settlement (i) includes an unconditional release of such Indemnified Party from all liability on any claims that are the subject matter of such action 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) If the indemnification provided for in this Section 6 is unavailable or insufficient to hold harmless an Indemnified Party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the Indemnified Party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Holder or Holder Indemnified Party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim that is the subject of this subsection (d). The parties agree that it would not be just and equitable if contributions were determined by *pro rata* allocation (even if the Holders were treated as one entity for such purpose) or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding any other provision of this Section 6(d), no Holder shall be required to contribute any amount in excess of the amount by which the net proceeds received by such Holder from the sale of the Registrable Shares pursuant to the Shelf Registration Statement exceeds the amount of damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The agreements contained in this Section 6 shall survive the sale of the Registrable Shares pursuant to the Shelf Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any Indemnified Party.

7. *Information Requirements.* The Company covenants that, if at any time before the end of the applicable Shelf Registration Period, the Company is not subject to the reporting requirements of the Exchange Act, it will take such further action as may be required from time to time to enable the Holders to sell Registrable Shares without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4) under the Securities Act). Upon the request of any Holder of Registrable Shares, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

8. *Miscellaneous*.

(a) *Recapitalizations, Exchanges, Etc.* The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the Registrable Shares, (ii) any and all securities of the Company into which the Registrable Shares are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the shares of Registrable Shares and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to assume this Agreement or enter into a new registration rights agreement with the Holders on terms substantially the same as this Agreement as a condition of any such transaction.

(b) *No Inconsistent Agreements.* The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof. Prior to the expiration of the Shelf Registration Period, without the consent of the Institutional Investors holding a majority of then outstanding Registrable Shares held by all Institutional Investors, the Company shall not enter into any agreement with any holder or prospective holder of securities of the Company that provides for registration rights that are *pari passu* or senior to those held by the Investors pursuant to this Agreement.

(c) *Interpretation*. Section, Schedule, and Exhibit references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including, without limitation."

(d) *Amendments and Waivers*. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the written consent of the Company and the Institutional Investors holding a majority of then outstanding Registrable Shares held by all Institutional Investors; *provided, however,* that any amendment, modification or waiver of this Agreement that applies only to Existing Stockholders may be obtained with the

written consent of the Company and the Holders holding a majority of then outstanding Registrable Shares held by Existing Stockholders and the Holders of a majority of the then outstanding Registrable Shares that were Outstanding Capital Stock and the majority of the then outstanding Registrable Shares held by all Institutional Investors; and *provided further*, that notwithstanding the foregoing, any amendment or modification of or supplement to this Agreement which would materially and adversely affect any Investor in a manner that is disproportionate to the other Investors will be binding upon and enforceable against such Investor only with such Investor's prior written consent. Each Holder of Registrable Shares outstanding at the time of any such amendment, modification, supplement, waiver or consent or thereafter shall be bound by any such amendment, modification, supplement, waiver or consent effected pursuant to this Section 8(d), whether or not any notice, writing or marking indicating such amendment, modification, supplement, waiver or consent appears on the Registrable Shares. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which made or given. No failure or delay on the part of any party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to a party at law or in equity or otherwise. A copy of each amendment, modification or supplement to this Agreement shall be delivered by the Company to each Holder within five (5) Business Days of its effectiveness; *provided* that no Holder will be bound by such amendment until a copy of such amendment has been given to such Holder in accordance with Section 8(e) below. No amendment, modification or supplement to this Agreement shall be binding on any Holder until such Holder shall have received written notice of the adoption thereof in accordance with this Section 8(d).

(e) *Notices*. All notices and other communications provided for or permitted hereunder shall be made in writing and shall be given by registered or certified mail, return receipt requested, telecopy, air courier guaranteeing overnight delivery or personal delivery to the following addresses:

(i) if to the Company (or to Zeta after the closing of the Merger), at its address as follows:

Kura Oncology, Inc.
11119 N. Torrey Pines Road, Ste. 125
La Jolla, CA 92037
Attention: Heidi Henson, Chief Financial Officer
Telephone No.: (858) 500-8804
E-mail: heidi@kuraoncology.com

with a copy to:

Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121
Attention: Charles Bair
Telephone No.: (858) 550-6142
E-mail: cbair@cooley.com

(ii) if to a Holder, at the most current address shown for such Holder in the records of the Company;

or to such other address as the Company or such Holder may designate in writing. All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; upon actual receipt if sent by certified mail, return receipt requested, or regular mail, if mailed; when receipt acknowledged, if sent via facsimile; and upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

(f) *Successors and Assigns*. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto as hereinafter provided. The rights of the Holders contained in this Agreement shall be automatically transferred to the transferee of any Registrable Shares, *provided*, that (i) such transfer consists of at least fifty thousand (50,000) Registrable Shares (or, with respect to any Holder who initially held at least one hundred thousand (100,000) Registrable Shares, such lesser number of shares as then held by such Holder); (ii) such transferee agrees to become a party to this Agreement and be fully bound by, and subject to, all of the terms and conditions of this Agreement as though an original party hereto by signing an Adoption Agreement in the form attached hereto as **Exhibit A**; (iii) immediately following such transfer the further disposition of such securities by the transferee is restricted under the Securities Act or applicable state securities laws if so required; and (iv) such transfer shall have been conducted in accordance with all applicable federal and state securities laws. All of the obligations of the Company hereunder shall survive any such transfer.

Neither this Agreement nor any of the rights or duties of the Company set forth herein shall be assigned by the Company, in whole or in part. Notwithstanding the foregoing, upon the consummation of the Merger and with respect to all times following the consummation of the Merger, (i) the Company shall, and hereby does, irrevocably assign all of its rights, duties and obligations under this Agreement to Zeta and (ii) Zeta, by executing this Agreement as an anticipated successor and assign to the Company, does hereby irrevocably assume, effective upon the consummation of the Merger, all of the Company's rights, duties and obligations under this Agreement, including the Company's obligation to register the Registrable Shares (the "Zeta Assignment"). All parties to this Agreement hereby consent to the assignment and assumption contemplated between the Company and Zeta set forth in this paragraph. Further to and not in derogation of the foregoing, following the consummation of the Merger, those shares of the common stock, par value $0.001 per share, of Zeta ("Zeta Stock") issued to Stockholders in connection with the Merger shall constitute Registrable Shares for all purposes hereunder. For the avoidance of doubt and by way of example, the Company, the Investors and Zeta acknowledge and agree that, as a result of the Zeta Assignment, (y) the obligation to file

and keep effective the Shelf Registration Statement shall be assumed and undertaken by Zeta, and (z) the covenants regarding registration rights and indemnification of the Stockholders set forth herein shall be binding on Zeta.

(g) *Counterparts*. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterpart, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same agreement.

(h) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) *Governing Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of laws.

(j) *Submission to Jurisdiction*. The parties to this Agreement (i) irrevocably submit to the exclusive jurisdiction of any state or federal courts located in New York County, New York in connection with any disputes arising out of or relating to this Agreement and (ii) waive any claim of improper venue or any claim that those courts are an inconvenient forum. The parties to this Agreement agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8(e) or in such other manner as may be permitted by applicable laws, shall be valid and sufficient service thereof.

(k) *Severability*. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by virtue of any applicable law, or due to any public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are fulfilled to the extent possible.

(l) *Entire Agreement*. This Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein, superseding all prior agreements and understandings among the parties with respect to such subject matter.

(m) *Further Assurances*. Each of the parties shall execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

(n) *Termination*. This Agreement and the obligations of the parties hereunder shall terminate upon the end of the Shelf Registration Period; *provided, however*, that the obligations arising under Sections 5, 6 and 7 shall remain in effect in accordance with their terms.

(o) *Securities Held by the Company*. Whenever the consent or approval of Holders of a specified number of Registrable Shares is required hereunder, shares of Common

Stock held by the Company or its subsidiaries shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(p) *Independent Nature of Obligations*. The obligations of each Investor under this Agreement are several and not joint with the obligations of any other Investor, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor under this Agreement. The failure or waiver of performance under this Agreement by any Investor shall not excuse performance by any other Investor. Each Investor shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose.

(q) *Definitions*. The following terms shall have the following meanings:

"Affiliate" means, with respect to any specified person, an "affiliate," as defined in Rule 144(a)(1) of the Securities Act, of such person.

"Agreement" shall have the meaning set forth in the recitals hereto.

"Blackout Period" shall have the meaning set forth in Section 1(d).

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks in the State of New York are required or authorized to close.

"Closing" shall have the meaning set forth in the recitals hereto.

"Commission" shall have the meaning set forth in Section 1(a).

"Common Stock" shall have the meaning set forth in the recitals hereto.

"Company" shall have the meaning set forth in the recitals hereto.

"Company Indemnified Party" shall have the meaning set forth in Section 6(b).

"Deferral Notice" shall have the meaning set forth in Section 3(h)(C).

"Deferral Period" shall have the meaning set forth in Section 3(h).

"Demand Notice" shall have the meaning set forth in Section 2(a)(i).

"Disclosure Package" means, with respect to any offering of securities, (i) the preliminary prospectus, (ii) each Free Writing Prospectus and (iii) all other information, in each case, that is deemed, under Rule 159 promulgated under the Securities Act, to have been conveyed to purchasers of securities at the time of sale of such securities (including, without limitation, a contract of sale).

"Effectiveness Deadline" shall mean the date that is 120 days after the date of this Agreement (or the date that is 150 days after the date of this Agreement, if the Shelf Registration Statement is reviewed by the Commission).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Act Report" shall have the meaning set forth in Section 3(h).

"Excluded Registration" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan or (ii) a registration relating to an SEC Rule 145 transaction.

"Existing Stockholder" shall have the meaning set forth in the recitals hereto.

"Existing Stockholder Restricted Shares" shall have the meaning set forth in Section 4(b)(i).

"Filing Deadline" shall mean the date that is 60 days after the date of this Agreement.

"Free Writing Prospectus" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"Holder" means a holder of record of Registrable Shares.

"Holder Indemnified Party" shall have the meaning set forth in Section 6(a).

"Indemnified Party" shall have the meaning set forth in Section 6(c).

"Initiating Holders" shall have the meaning set forth in Section 2(a)(i).

"Institutional Investors" shall mean the Investors listed on Schedule IV attached to the Purchase Agreement.

"Investor" shall have the meaning set forth in the recitals hereto.

"Investor Restricted Shares" shall have the meaning set forth in Section 4(c).

"Lead Investor" shall mean EcoR1.

"Lead Investor Counsel" shall have the meaning set forth in Section 3(j).

"Lock-Up Period" shall have the meaning set forth in Section 4(b)(i).

"Material Event" shall have the meaning set forth in Section 3(h).

"Merger" means that transaction contemplated by the Agreement and Plan of Merger with Zeta, and Kura Operations, Inc., a Delaware corporation and wholly-owned subsidiary of Zeta ("Merger Sub"), pursuant to which Merger Sub with merge with and into the Company, with the Company remaining as the surviving corporation.

"National Exchange" shall have the meaning set forth in Section 4(b).

"Notice and Questionnaire" shall have the meaning set forth in Section 3(a).

"Outstanding Capital Stock" means each share of capital stock of the Company outstanding immediately prior to the Closing.

"Permissible Deferral Period" shall have the meaning set forth in Section 1(d).

"Person" means any individual, partnership, joint-stock company, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision thereof.

"Purchase Agreement" shall have the meaning set forth in the recitals hereto.

"Registrable Shares" means (A) each share of Common Stock acquired by the Investors pursuant to the Purchase Agreement, (B) each share of Outstanding Capital Stock held by the Existing Stockholders, and (C) any stock of the Company or Zeta issued as a dividend or other distribution with respect to or in exchange for, the capital stock referred to in clauses (A) and (B) above (including, but not limited to, shares Zeta Stock issued in exchange of such shares in the Merger); until the date on which all of the Registrable Shares then owned by such Holder have been effectively registered under the Securities Act and disposed of in accordance with such registration statement.

"Rule 10b5-1 Plan" shall have the meaning set forth in Section 4(b)(ii).

"Rule 415 Limitation" shall have the meaning set forth in Section 1(a).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shelf Registration" shall have the meaning set forth in Section 1(a).

"Shelf Registration Period" shall have the meaning set forth in Section 1(b).

"Shelf Registration Statement" shall have the meaning set forth in Section 1(a).

"Stockholder" shall have the meaning set forth in the recitals hereto.

"Subsequent Shelf Limitation" shall have the meaning set forth in Section 1(a).

"Updated Disclosure Package" shall have the meaning set forth in Section 6(a).

"Zeta" shall have the meaning set forth in the recitals hereto.

"Zeta Assignment" shall have the meaning set forth in Section 8(f).

"Zeta Stock" shall have the meaning set forth in Section 8(f).

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE CORPORATION:

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson, Ph.D.
Title: Chief Executive Officer

As the successor and assign to the Corporation pursuant to Section 8 hereof:

ZETA ACQUISITION CORP. III

By: /s/ John Pappajohn
Name: John Pappajohn
Title: President and Director and Principal Executive Officer

INVESTORS:

[Signature Pages Attached]

Exhibit 10.1

KURA ONCOLOGY, INC.

AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN

AMENDED AND RESTATED BY THE BOARD: MARCH 6, 2015
APPROVED BY THE STOCKHOLDERS: MARCH 6, 2015

1. GENERAL.

(a) Eligible Award Recipients. Employees, Directors and Consultants are eligible to receive Awards.

(b) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock Awards, (v) Restricted Stock Unit Awards, (vi) Performance Stock Awards, (vii) Performance Cash Awards, and (viii) Other Stock Awards.

(c) Purpose. The Plan, through the grant of Awards, is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate, and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

(d) History of the Plan. The plan was originally adopted by Kura Oncology, Inc., a Delaware corporation ("***Kura***"). Pursuant to an Agreement and Plan of Merger dated March 6, 2015 (the "***Merger Agreement***"), by and among Zeta Acquisition Corp. III (the "***Company***"), Kura Operations, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("***Merger Sub***") and Kura, Merger Sub merged with and into Kura, with Kura remaining as the surviving entity and a wholly-owned operating subsidiary of the Company (the "***Merger***"). Effective as of the Effective Time of the Merger (as defined in the Merger Agreement) (the "***Amendment Date***"), the Company assumed the Plan, and amended and restated the Plan (the "***Restated Plan***"). Immediately following the Merger, the Company changed its name from "Zeta Acquisition Corp. III" to "Kura Oncology, Inc."

2. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of

each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, the time at which an Award may be exercised or vest (or the time at which cash or shares of Common Stock may be issued in settlement thereof).

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Agreement, suspension or termination of the Plan will not materially impair a Participant's rights under the Participant's then-outstanding Award without the Participant's written consent, except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, by adopting amendments relating to Incentive Stock Options and certain nonqualified deferred compensation under Section 409A of the Code and/or bringing the Plan or Awards granted under the Plan into compliance with the requirements for Incentive Stock Options or ensuring that they are exempt from, or compliant with, the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 9(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as otherwise provided in the Plan or an Award Agreement, no amendment of the Plan will materially impair a Participant's rights under an outstanding Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 162(m) of the Code regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered

Employees, (B) Section 422 of the Code regarding Incentive Stock Options or (C) Rule 16b-3.

(viii) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however,* that a Participant's rights under any Award will not be impaired by any such amendment unless (A) the Company requests the consent of the affected Participant, and (B) such Participant consents in writing. Notwithstanding the foregoing, (1) a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights, and (2) subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (D) to comply with other applicable laws or listing requirements.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(x) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement that are required for compliance with the laws of the relevant foreign jurisdiction).

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefor of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash and/or (6) other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the

powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3.

(d) Delegation to an Officer. The Board may delegate to one (1) or more Officers the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards, and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; *provided, however*, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on the form of Stock Award Agreement most recently approved for use by the Committee or the Board, unless otherwise provided in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value pursuant to Section 13(x)(iii) below.

(e) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve.

(i) Subject to Section 9(a) relating to Capitalization Adjustments, and Section 3(a)(ii) regarding the annual increase, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards will not exceed 5,975,000 shares (post-Merger) (the "***Share Reserve***").

(ii) In addition, the Share Reserve will automatically increase on January 1st of each year, for a period of not more than ten years from the date the Plan is approved by the stockholders of the Company, commencing on January 1st of the year following the year in which the Merger occurs and ending on (and including) January 1,

2025, in an amount equal to 4% of the total number of shares of Capital Stock outstanding on December 31st of the preceding calendar year. Notwithstanding the foregoing, the Board may act prior to January 1st of a given year to provide that there will be no January 1st increase in the Share Reserve for such year or that the increase in the Share Reserve for such year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(iii) For clarity, the Share Reserve in this Section 3(a) is a limitation on the number of shares of Common Stock that may be issued pursuant to the Plan. Accordingly, this Section 3(a) does not limit the granting of Stock Awards except as provided in Section 7(a).

(iv) Shares may be issued in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c) or, if applicable, NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) Reversion of Shares to the Share Reserve. If a Stock Award or any portion thereof (i) expires or otherwise terminates without all of the shares covered by such Stock Award having been issued or (ii) is settled in cash (*i.e.*, the Participant receives cash rather than stock), such expiration, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that may be available for issuance under the Plan. If any shares of Common Stock issued pursuant to a Stock Award are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited or repurchased will revert to and again become available for issuance under the Plan. Any shares reacquired by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will again become available for issuance under the Plan.

(c) Incentive Stock Option Limit. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options will be 12,000,000 shares of Common Stock (post-Merger).

(d) Section 162(m) Limitations. Subject to the provisions of Section 9(a) relating to Capitalization Adjustments, at such time as the Company may be subject to the applicable provisions of Section 162(m) of the Code, the following limitations shall apply.

(i) A maximum of 1,000,000 shares of Common Stock subject to Options, SARs and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award is granted may be granted to any one Participant during any one calendar year. Notwithstanding the foregoing, if any additional Options, SARs or Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date the Stock Award are

granted to any Participant during any calendar year, compensation attributable to the exercise of such additional Stock Awards will not satisfy the requirements to be considered "qualified performance-based compensation" under Section 162(m) of the Code unless such additional Stock Award is approved by the Company's stockholders.

(ii) A maximum of 1,000,000 shares of Common Stock subject to Performance Stock Awards may be granted to any one Participant during any one calendar year (whether the grant, vesting or exercise is contingent upon the attainment during the Performance Period of the Performance Goals).

(iii) A maximum of $1,000,000 may be granted as a Performance Cash Award to any one Participant during any one calendar year.

(e) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) Eligibility for Specific Stock Awards. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; *provided*, *however*, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined in Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from Section 409A of the Code, or (iii) the Company, in consultation with its legal counsel, has determined that such Stock Awards comply with the distribution requirements of Section 409A of the Code.

(b) Ten Percent Stockholders. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five years from the date of grant.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive

Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; *provided*, *however*, that each Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Award Agreement or otherwise) the substance of each of the following provisions:

(a) Term. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of its grant or such shorter period specified in the Award Agreement.

(b) Exercise Price. Subject to the provisions of Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) Purchase Price for Options. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided*, *however*, that the Company will accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the

number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the "net exercise," (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Agreement.

(d) Exercise and Payment of a SAR. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR, and with respect to which the Participant is exercising the SAR on such date, over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Agreement evidencing such SAR.

(e) Transferability of Options and SARs. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board will determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided in the Plan, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2). If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the

absence of such a designation, upon the death of the Participant, the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) Vesting Generally. The total number of shares of Common Stock subject to an Option or SAR may vest and become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) Termination of Continuous Service. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the applicable Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR (as applicable) within the applicable time frame, the Option or SAR will terminate.

(h) Extension of Termination Date. If the exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of time (that need not be consecutive) equal to the applicable post termination exercise period after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement. In addition, unless otherwise provided in a Participant's Award Agreement, if the sale of any Common Stock received on exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, then the Option or SAR will terminate on the earlier of (i) the expiration of a period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the

Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Agreement.

(i) Disability of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of the Option or SAR as set forth in the Award Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) Death of Participant. Except as otherwise provided in the applicable Award Agreement or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Award Agreement for exercisability after the termination of the Participant's Continuous Service for a reason other than death, then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death (or such longer or shorter period specified in the Award Agreement), and (ii) the expiration of the term of such Option or SAR as set forth in the Award Agreement. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR (as applicable) will terminate.

(k) Termination for Cause. Except as explicitly provided otherwise in a Participant's Award Agreement or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate immediately upon such Participant's termination of Continuous Service, and the Participant will be prohibited from exercising his or her Option or SAR from and after the time of such termination of Continuous Service.

(l) Non-Exempt Employees. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least six months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Corporate Transaction in which such Option or SAR is not assumed, continued, or substituted, (iii) upon a Change in Control, or (iv) upon the Participant's retirement (as such term may be defined in the Participant's Award Agreement in another agreement

between the Participant and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than six months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the Worker Economic Opportunity Act to ensure that any income derived by a non-exempt employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from the employee's regular rate of pay, the provisions of this Section 5(l) will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Agreements.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) Restricted Stock Awards. Each Restricted Stock Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical. Each Restricted Stock Award Agreement will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board will determine in its sole discretion, so long as Common Stock awarded under the

Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(v) Dividends. A Restricted Stock Award Agreement may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement will be in such form and will contain such terms and conditions as the Board will deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical. Each Restricted Stock Unit Award Agreement will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the

same terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award (covering a number of shares not in excess of that set forth in Section 3(d) above) that is payable (including that may be granted, may vest or may be exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may, but need not, require the Participant's completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Agreement, the Board may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award (for a dollar value not in excess of that set forth in Section 3(d) above) that is payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board), in its sole discretion. The Board may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board may specify, to be paid in whole or in part in cash or other property.

(iii) Board Discretion. The Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(iv) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to an Award intended to qualify as "performance-based compensation" thereunder, the Committee will

establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (a) the date 90 days after the commencement of the applicable Performance Period, and (b) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee will certify the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such Performance Goals relate solely to the increase in the value of the Common Stock). Notwithstanding satisfaction of, or completion of any Performance Goals, the number of shares of Common Stock, Options, cash or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced by the Committee on the basis of such further considerations as the Committee, in its sole discretion, will determine.

(d) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. COVENANTS OF THE COMPANY.

(a) Availability of Shares. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Awards.

(b) Securities Law Compliance. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided*, *however*, that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(c) No Obligation to Notify or Minimize Taxes. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award.

8. MISCELLANEOUS.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(b) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(c) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Award has been entered into the books and records of the Company.

(d) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a

part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that such Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Stock under the Award has been registered under a then currently effective registration statement under the Securities Act, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) Withholding Obligations. Unless prohibited by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lesser amount as may be necessary to avoid

classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; or (v) by such other method as may be set forth in the Award Agreement.

(i) Electronic Delivery. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) Deferrals. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code. Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) Compliance with Section 409A of the Code. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A of the Code, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such Participant's "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(l) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of an event constituting Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

9. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c), (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Sections 3(d) and 3(e), and (iv) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) Dissolution or Liquidation. Except as otherwise provided in the Stock Award Agreement, in the event of a Dissolution of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such Dissolution, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; *provided, however*, that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the Dissolution is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board will take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award;

(v) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Corporate Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero ($0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Common Stock in connection with the Transaction is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

(vii) The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

(d) Change in Control. A Stock Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

10. PLAN TERM; EARLIER TERMINATION OR SUSPENSION OF THE PLAN.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the Amendment Date. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

11. EFFECTIVE DATE OF PLAN.

The Plan originally became effective on August 29, 2014 upon the adoption by the Board of Directors of Kura. The Restated Plan, as assumed by the Company, shall become effective upon the date that is 20 days after the mailing of a Schedule 14C Information Statement to the stockholders of the Company.

12. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

13. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(b) "***Award***" means a Stock Award or a Performance Cash Award.

(c) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award.

(d) "***Board***" means the Board of Directors of the Company.

(e) "***Capital Stock***" means each and every class of common stock of the Company, regardless of the number of votes per share.

(f) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(g) "***Cause***" will have the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (v) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Company in its sole discretion. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Stock Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(h) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such

merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; *provided, however,* that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of the Plan, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company and the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; *provided, however*, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(j) "***Committee***" means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(k) "***Common Stock***" means the common stock of the Company.

(l) "***Company***" means Kura Oncology, Inc., a Delaware corporation.

(m) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(n) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; *provided*, *however*, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(o) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 90% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

If required for compliance with Section 409A of the Code, in no event will a Corporate Transaction be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(p) "***Covered Employee***" will have the meaning provided in Section 162(m)(3) of the Code.

(q) "***Director***" means a member of the Board.

(r) "***Disability***" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(s) "***Dissolution***" means when the Company, after having executed a certificate of dissolution with the State of Delaware, has completely wound up its affairs. Conversion of the Company into a Limited Liability Company will not be considered a "Dissolution" for purposes of the Plan.

(t) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(u) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(v) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(w) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Amendment Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(x) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(y) "***Incentive Stock Option***" means an option granted pursuant to Section 5 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(z) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(aa) "***Nonstatutory Stock Option***" means any Option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(bb) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(cc) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(dd) "***Option Agreement***" means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ee) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ff) "***Other Stock Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(gg) "***Other Stock Award Agreement***" means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement will be subject to the terms and conditions of the Plan.

(hh) "***Outside Director***" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ii) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(jj) "***Participant***" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(kk) "***Performance Cash Award***" means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(ll) "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) earnings before interest, taxes, depreciation, amortization and legal settlements; (5) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (6) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (7) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (8) total stockholder return; (9) return on equity or average stockholders' equity; (10) return on assets, investment, or capital employed; (11) stock price; (12) margin (including gross margin); (13) income (before or after taxes); (14) operating income; (15) operating income after taxes; (16)

pre-tax profit; (17) operating cash flow; (18) sales or revenue targets; (19) increases in revenue or product revenue; (20) expenses and cost reduction goals; (21) improvement in or attainment of working capital levels; (22) economic value added (or an equivalent metric); (23) market share; (24) cash flow; (25) cash flow per share; (26) share price performance; (27) debt reduction; (28) stockholders' equity; (29) capital expenditures; (30) debt levels; (31) operating profit or net operating profit; (32) workforce diversity; (33) growth of net income or operating income; (34) billings; (35) bookings; (36) employee retention; (37) initiation of phases of clinical trials and/or studies by specific dates; (38) patient enrollment rates; (39) budget management; (40) submission to, or approval by, a regulatory body (including, but not limited to the FDA) of an applicable filing or a product candidate; (41) implementation or completion of projects or processes (including, without limitation, clinical trial initiation, clinical trial enrollment, clinical trial results, new and supplemental indications for existing products, regulatory filing submissions, regulatory filing acceptances, regulatory or advisory committee interactions, regulatory approvals, and product supply); (42) regulatory milestones; (43) progress of internal research or clinical programs; (44) progress of partnered programs; (45) partner satisfaction; (46) timely completion of clinical trials; (47) submission of INDs and NDAs and other regulatory achievements; (48) research progress, including the development of programs; (49) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; and (50) to the extent that an award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by the Board.

(mm) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment

charges that are required to be recorded under generally accepted accounting principles; (12) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item; and (13) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the U.S. Food and Drug Administration or any other regulatory body. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award.

(nn) "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(oo) "***Performance Stock Award***" means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(pp) "***Plan***" means this Kura Oncology, Inc. Amended and Restated 2014 Equity Incentive Plan.

(qq) "***Restricted Stock Award***" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(rr) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ss) "***Restricted Stock Unit Award***" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(tt) "***Restricted Stock Unit Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement will be subject to the terms and conditions of the Plan.

(uu) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(vv) "***Securities Act***" means the Securities Act of 1933, as amended.

(ww) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(xx) "***Stock Appreciation Right Agreement***" means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement will be subject to the terms and conditions of the Plan.

(yy) "***Stock Award***" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award or any Other Stock Award.

(zz) "***Stock Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement will be subject to the terms and conditions of the Plan.

(aaa) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other Entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than50%.

(bbb) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

KURA ONCOLOGY, INC.
OPTION AGREEMENT
(AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN)

Pursuant to your Stock Option Grant Notice ("***Grant Notice***") and this Option Agreement, Kura Oncology, Inc. (the "***Company***") has granted you an option under its Amended and Restated 2014 Equity Incentive Plan (the "***Plan***") to purchase the number of shares of the Company's Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. VESTING. Your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

3. EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a "***Non-Exempt Employee***"), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability, (ii) a Corporate Transaction in which your option is not assumed, continued or substituted, (iii) a Change in Control or (iv) your termination of Continuous Service on your "retirement" (as defined in the Company's benefit plans).

4. EXERCISE PRIOR TO VESTING ("EARLY EXERCISE"). If permitted in your Grant Notice (*i.e.*, the "Exercise Schedule" indicates "Early Exercise Permitted") and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the unvested portion of your option; *provided, however,* that:

(a) a partial exercise of your option will be deemed to cover first vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise will be subject to the purchase option in favor of the Company as described in the Company's form of Early Exercise Stock Purchase Agreement;

(c) you will enter into the Company's form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the Date of Grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars ($100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) will be treated as Nonstatutory Stock Options.

5. METHOD OF PAYMENT. You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

(a) Provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise", "same day sale", or "sell to cover".

(b) Provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

(c) If this option is a Nonstatutory Stock Option, subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of your option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Shares of Common Stock will no longer be outstanding under your option and

will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your tax withholding obligations.

6. WHOLE SHARES. You may exercise your option only for whole shares of Common Stock.

7. SECURITIES LAW COMPLIANCE. In no event may you exercise your option unless the shares of Common Stock issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treas. Reg. 1.401(k)-1(d)(3), if applicable).

8. TERM. You may not exercise your option before the Date of Grant or after the expiration of the option's term. The term of your option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death (except as otherwise provided in Section 8(d) below); *provided, however,* that if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in the section above relating to "Securities Law Compliance," your option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service; *provided further,* that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six (6) months after the Date of Grant, and (iii) you have vested in a portion of your option at the time of your termination of Continuous Service, your option will not expire until the earlier of (x) the later of (A) the date that is seven (7) months after the Date of Grant, and (B) the date that is three (3) months after the termination of your Continuous Service, and (y) the Expiration Date;

(c) twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d)) below;

(d) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for any reason other than Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the Date of Grant and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

9. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable withholding taxes to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the Date of Grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation (the "***Lock-Up Period***"); *provided*, *however*, that nothing contained in this section will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may

impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 9(d). The underwriters of the Company's stock are intended third party beneficiaries of this Section 9(d) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

10. TRANSFERABILITY. Except as otherwise provided in this Section 10, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) Certain Trusts. Upon receiving written permission from the Board or its duly authorized designee, you may transfer your option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulation 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement. If this option is an Incentive Stock Option, this option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(c) Beneficiary Designation. Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this option and receive, on behalf of your estate, the Common Stock or other consideration resulting from such exercise.

11. RIGHT OF FIRST REFUSAL. Shares of Common Stock that you acquire upon exercise of your option are subject to any right of first refusal that may be described in the Company's bylaws in effect at such time the Company elects to exercise its right. The Company's right of first refusal will expire on the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system.

12. RIGHT OF REPURCHASE. To the extent provided in the Company's bylaws in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the shares of Common Stock you acquire pursuant to the exercise of your option.

13. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

14. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) If this option is a Nonstatutory Stock Option, then upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such shares of Common Stock or

release such shares of Common Stock from any escrow provided for herein, if applicable, unless such obligations are satisfied.

15. TAX CONSEQUENCES. You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the "fair market value" per share of the Common Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option. Because the Common Stock is not traded on an established securities market, the Fair Market Value is determined by the Board, perhaps in consultation with an independent valuation firm retained by the Company. You acknowledge that there is no guarantee that the Internal Revenue Service will agree with the valuation as determined by the Board, and you will not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that the valuation determined by the Board is less than the "fair market value" as subsequently determined by the Internal Revenue Service.

16. NOTICES. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

17. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your option and those of the Plan, the provisions of the Plan will control.

NOTICE OF EXERCISE
(AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN)

Kura Oncology, Inc.
11119 N. Torrey Pines Road, Ste. 125
La Jolla, CA 92037

Date of Exercise: _____

This constitutes notice to Kura Oncology, Inc. (the "***Company***") under my stock option that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") for the price set forth below.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Stock option dated:	_____	_____
Number of Shares as to which option is exercised:	_____	_____
Certificates to be issued in name of:	_____	_____
Total exercise price:	$ _____	$ _____
Cash payment delivered herewith:	$ _____	$ _____
Value of _____ Shares delivered herewith[1]:	$ _____	$ _____
Value of _____ Shares pursuant to net exercise[2]:	$ _____	$ _____
Regulation T Program (cashless exercise[3]):	$ _____	$ _____

1 Shares must meet the public trading requirements set forth in the option. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

2 The option must be a Nonstatutory Stock Option, and Kura Oncology, Inc. must have established net exercise procedures at the time of exercise, in order to utilize this payment method.

3 Shares must meet the public trading requirements set forth in the option.

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Amended and Restated 2014 Equity Incentive Plan, (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of this option that occurs within two (2) years after the date of grant of this option or within one (1) year after such Shares are issued upon exercise of this option.

I hereby make the following certifications and representations with respect to the number of Shares listed above, which are being acquired by me for my own account upon exercise of the option as set forth above:

I acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), and are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

I further acknowledge that I will not be able to resell the Shares for at least ninety (90) days after the stock of the Company becomes publicly traded (*i.e.*, subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934) under Rule 701 and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I further acknowledge that all certificates representing any of the Shares subject to the provisions of the Option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Articles of Incorporation, Bylaws and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Securities Act, I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act (or such longer period as the underwriters or the Company shall request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) (the "***Lock-Up Period***"). I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such period.

Very truly yours,

_____

STOCK OPTION GRANT NOTICE
(AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN)

Kura Oncology, Inc. (the "***Company***"), pursuant to its Amended and Restated 2014 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of shares of the Company's Common Stock set forth below. This option is subject to all of the terms and conditions as set forth in this notice, in the Option Agreement, the Plan and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined in this notice but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: ☐ Incentive Stock Option[1] ☐ Nonstatutory Stock Option

Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted

Vesting Schedule: [The shares vest in a series of forty-eight (48) successive equal monthly installments measured from the Vesting Commencement Date, subject to Optionholder's Continuous Service as of each such date.]

Payment: By one or a combination of the following items (described in the Option Agreement):

☒ By cash, check, bank draft or money order payable to the Company
☒ Pursuant to a Regulation T Program if the shares are publicly traded
☒ By delivery of already-owned shares if the shares are publicly traded
☒ If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company's consent at the time of exercise, by a "net exercise" arrangement

1 If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. Optionholder acknowledges and agrees that this Stock Option Grant Notice and the Option Agreement may not be modified, amended or revised except as provided in the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this option upon the terms and conditions set forth therein.

By accepting this option, Optionholder consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

KURA ONCOLOGY, INC.	**OPTIONHOLDER:**
By: _____	_____
Signature	Signature
Name: _____	Date: _____
Title: _____	
Date: _____	

ATTACHMENTS: Option Agreement, Amended and Restated 2014 Equity Incentive Plan and Notice of Exercise

Exhibit 10.2

KURA ONCOLOGY, INC.
RESTRICTED STOCK PURCHASE AWARD NOTICE
(AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN)

Kura Oncology, Inc. (the "***Company***"), pursuant to its Amended and Restated 2014 Equity Incentive Plan (the "***Plan***"), hereby grants to Participant the right to purchase the number of shares of the Company's Common Stock set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this Restricted Stock Purchase Award Notice (this "***Award Notice***") and in the Restricted Stock Purchase Agreement, the Plan, the Assignment Separate from Certificate, and the Joint Escrow Instructions, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined in this Award Notice but defined in the Plan or the Restricted Stock Purchase Agreement will have the same definitions as in the Plan or the Restricted Stock Purchase Agreement. If there is any conflict between the terms herein and the Plan, the terms of the Plan will control.

Participant:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Subject to Award:	_____
Purchase Price per Share:	_____
Total Purchase Price:	_____

Vesting Schedule: **[**The shares vest in a series of forty-eight (48) successive equal monthly installments measured from the Vesting Commencement Date, subject to Optionholder's Continuous Service as of each such date.]

Payment: By cash or check.

Additional Terms/Acknowledgements: The undersigned Participant acknowledges receipt of, and understands and agrees to, this Award Notice, the Restricted Stock Purchase Agreement, the Plan, the Assignment Separate from Certificate, and the Joint Escrow Instructions. Participant acknowledges and agrees that this Award Notice and the Restricted Stock Purchase Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that as of the Date of Grant, this Award Notice, the Restricted Stock Purchase Agreement, the Plan, the Assignment Separate from Certificate, and the Joint Escrow Instructions set forth the entire understanding between Participant and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) stock previously granted and delivered to Participant, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this Award.

KURA ONCOLOGY, INC.		**PARTICIPANT:**	
By:	_____	By:	_____
	Signature		Signature
Name:	_____	Name:	_____
Title:	_____	Date:	_____
Date:	_____		

ATTACHMENTS: Restricted Stock Purchase Agreement; Amended and Restated 2014 Equity Incentive Plan; Assignment Separate from Certificate; Joint Escrow Instructions

ATTACHMENT I

RESTRICTED STOCK PURCHASE AGREEMENT

(AMENDED AND RESTATED 2014 EQUITY INCENTIVE PLAN)

Kura Oncology, Inc. (the "***Company***") wishes to sell to you, and you wish to purchase, shares of Common Stock from the Company, pursuant to the provisions of the Company's Amended and Restated 2014 Equity Incentive Plan (the "***Plan***").

Therefore, pursuant to the terms of the Restricted Stock Purchase Award Notice (the "***Award Notice***") and this Restricted Stock Purchase Agreement (this "***Agreement***") (collectively, the "***Award***"), the Company grants you the right to purchase the number of shares of Common Stock indicated in the Award Notice. Defined terms not explicitly defined in this Agreement but defined in the Plan will have the same definitions as in the Plan.

The details of your Award are as follows:

1. AGREEMENT TO PURCHASE. You hereby agree to purchase from the Company, and the Company hereby agrees to sell to you, the aggregate number of shares of Common Stock specified in your Award Notice at the specified Purchase Price per Share. You may not purchase less than the aggregate number of shares specified in the Award Notice.

2. CLOSING. The purchase and sale of the shares will be consummated as follows:

(a) You may purchase the shares by delivering the Total Purchase Price referenced in your Award Notice to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, on the Date of Grant specified in the Award Notice (or at such other time and place as you and the Company may mutually agree upon in writing) along with such additional documents as the Company may then require.

(b) You agree to execute two (2) copies of the Assignment Separate From Certificate (with date and number of shares blank) substantially in the form attached to the Award Notice as Attachment III and to execute Joint Escrow Instructions substantially in the form attached to the Award Notice as Attachment IV and to deliver the same to the Company, along with the certificate or certificates evidencing the shares, for use by the Escrow Agent pursuant to the terms of the Joint Escrow Instructions.

3. METHOD OF PAYMENT. You may make payment of the Purchase Price in cash or by check.

4. VESTING. The shares you purchase will vest as provided in your Award Notice, provided that vesting will cease upon the termination of your Continuous Service.

5. NUMBER OF SHARES AND PURCHASE PRICE. The number of shares of Common Stock subject to your Award and your Purchase Price per Share in your Award Notice will be adjusted for Capitalization Adjustments.

6. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, you may not purchase any shares of Common Stock under your Award unless the shares of Common Stock issuable upon such purchase are then registered under the Securities Act or, if not then so registered, the Company has determined that such purchase and issuance would be exempt from the registration requirements of the Securities Act. The purchase of shares under your Award also must comply with all other applicable laws and regulations governing your Award, and you may not purchase such shares if the Company determines that such purchase would not be in material compliance with such laws and regulations.

7. UNVESTED SHARE REPURCHASE OPTION

(a) Repurchase Option. In the event your Continuous Service terminates, then the Company will have an irrevocable option (the "***Repurchase Option***") for a period of ninety (90) days after said termination, or such longer period as may be agreed to by you and the Company, to repurchase from you or your personal representative, as the case may be, those shares that you purchased pursuant to this Agreement that have not as yet vested as of such termination date in accordance with the Vesting Schedule indicated on your Award Notice (the "***Unvested Shares***").

(b) Shares Repurchasable at the Lower of your Original Purchase Price or Fair Market Value. The Company may repurchase all or any of the Unvested Shares at a price per share equal to the lower of your Purchase Price per Share for such shares as indicated on your Award Notice or the Fair Market Value per share of the Unvested Shares on the date of repurchase.

8. EXERCISE OF REPURCHASE OPTION. The Repurchase Option will be exercised by written notice signed by such person designated by the Company and delivered or mailed as provided herein. Such notice will identify the number of shares of Common Stock to be purchased and will notify you of the time, place and date for settlement of such purchase, which will be scheduled by the Company within the term of the Repurchase Option set forth above. The Company will be entitled to pay for any shares of Common Stock purchased pursuant to its Repurchase Option at the Company's option in cash or by offset against any indebtedness owing to the Company by you, or by a combination of both. Upon delivery of such notice and payment of the purchase price in any of the ways described above, the Company will become the legal and beneficial owner of the Common Stock being repurchased and all rights and interest therein or related thereto, and the Company will have the right to transfer to its own name the Common Stock being repurchased by the Company, without further action by you.

9. CORPORATE TRANSACTIONS. In the event of a Corporate Transaction, the Repurchase Option may be assigned by the Company to the successor of the Company (or such successor's parent company), if any, in connection with such Corporate Transaction. To the extent the Repurchase Option remains in effect following such Corporate Transaction, it will apply to the new capital stock or other property received in exchange for the Common Stock in consummation of the Corporate Transaction, but only to the extent the Common Stock was at the time covered by such right. Appropriate adjustments will be made to the price per share payable upon exercise of the Repurchase Option to reflect the Corporate Transaction upon the

Company's capital structure; *provided, however*, that the aggregate price per share payable upon exercise of the Repurchase Option will remain the same.

10. ESCROW OF UNVESTED COMMON STOCK. As security for your faithful performance of the terms of this Agreement and to insure the availability for delivery of your Common Stock upon exercise of the Repurchase Option herein provided for, you agree, at the closing hereunder, to deliver to and deposit with the Secretary of the Company or the Secretary's designee ("***Escrow Agent***"), as Escrow Agent in this transaction, three (3) Assignments Separate From Certificate duly endorsed (with date and number of shares left blank) in the form attached to the Award Notice as Attachment III, together with a certificate or certificates evidencing all of the Common Stock subject to the Repurchase Option; said documents are to be held by the Escrow Agent and delivered by said Escrow Agent pursuant to the Joint Escrow Instructions of you and the Company set forth in Attachment IV to the Award Notice, which instructions also will be delivered to the Escrow Agent at the closing hereunder.

11. RIGHTS AS STOCKHOLDER. Subject to the provisions of this Agreement, you will exercise all rights and privileges of a stockholder of the Company with respect to the shares deposited in escrow. You will be deemed to be the holder of the shares for purposes of receiving any dividends that may be paid with respect to such shares and for purposes of exercising any voting rights relating to such shares, even if some or all of the shares have not yet vested and been released from the Company's Repurchase Option.

12. LIMITATIONS ON TRANSFER. In addition to any other limitation on transfer created by applicable securities laws, you may not sell, assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Common Stock while the Common Stock is subject to the Repurchase Option. After any Common Stock has been released from the Repurchase Option, you may not sell, assign, hypothecate, donate, encumber or otherwise dispose of any interest in the Common Stock except in compliance with the provisions herein and applicable securities laws.

13. RESTRICTIVE LEGENDS. All certificates representing the Common Stock will have endorsed thereon legends in substantially the following forms (in addition to any other legend which may be required by other agreements between the parties hereto):

(a) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A REPURCHASE OPTION SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS COMPANY. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO SUCH REPURCHASE OPTION IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE COMPANY."

(b) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES

UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

(c) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE COMPANY AND/OR ITS ASSIGNEE(S) AS PROVIDED IN THE BYLAWS OF THE COMPANY."

(d) Any legend required by appropriate blue sky officials.

14. INVESTMENT REPRESENTATIONS. In connection with the purchase of the Common Stock, you represent to the Company the following:

(a) You are aware of the Company's business affairs and financial condition and have acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Common Stock. You are acquiring the Common Stock for investment for your own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(b) You understand that the Common Stock has not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of your investment intent as expressed herein.

(c) You further acknowledge and understand that the Common Stock must be held indefinitely unless the Common Stock is subsequently registered under the Securities Act or an exemption from such registration is available. You further acknowledge and understand that the Company is under no obligation to register the Common Stock. You understand that the certificate evidencing the Common Stock will be imprinted with a legend that prohibits the transfer of the Common Stock unless the Common Stock is registered or such registration is not required in the opinion of counsel for the Company.

(d) You are familiar with the provisions of Rules 144 and 701, under the Securities Act, as in effect from time to time, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of issuance of the securities, such issuance will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the securities exempt under Rule 701 may be sold by you ninety (90) days thereafter, subject to the satisfaction of certain of the conditions specified by Rule 144 and the market stand-off provision described in Section 15 below.

(e) In the event that the sale of the Common Stock does not qualify under Rule 701 at the time of purchase, then the Common Stock may be resold by you in certain limited circumstances subject to the provisions of Rule 144, which requires, among other things: (i) the availability of certain public information about the Company and (ii) the resale occurring following the required holding period under Rule 144 after you have purchased, and made full payment of (within the meaning of Rule 144), the securities to be sold.

(f) You further understand that at the time you wish to sell the Common Stock there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Company may not be satisfying the current public current information requirements of Rule 144 or 701, and that, in such event, you would be precluded from selling the Common Stock under Rule 144 or 701 even if the minimum holding period requirement had been satisfied.

15. MARKET STAND-OFF AGREEMENT. By purchasing shares of Common Stock under your Award, you may not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rules or regulation (the "***Lock-Up Period***"); *provided*, *however*, that nothing contained in this Section 15 will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 15. The underwriters of the Company's stock are intended third party beneficiaries of this Section 15 and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

16. TRANSFERABILITY. Your Award is not transferable, except with the consent of the Company, which the Company may withhold in its sole discretion.

17. RIGHT OF FIRST REFUSAL. Shares of Common Stock that you acquire under your Award are subject to any right of first refusal that may be described in the Company's bylaws in effect at such time the Company elects to exercise its right. The Company's right of first refusal will expire on the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system.

18. RIGHT OF REPURCHASE. To the extent provided in the Company's bylaws in effect at such time the Company elects to exercise its right, the Company will have the right to repurchase all or any part of the shares of Common Stock that have been released from the Company's Repurchase Option.

19. AWARD NOT A SERVICE CONTRACT. Your Award is not an employment or service contract, and nothing in your Award will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your Award will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers

or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

20. TAX OBLIGATIONS.

(a) At the time your Award is granted, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award. You further agree to be responsible for, indemnify and hold the Company harmless for, all income taxes and for your portion of the employment taxes, imposed in connection with the purchase, vesting or otherwise in connection with the Award.

(b) Unless the tax withholding obligations of the Company or any Affiliate are satisfied, the Company will have no obligation to issue a certificate for such shares or release such shares from any escrow provided for herein.

21. TAX CONSEQUENCES. The acquisition and vesting of the shares of Common Stock purchased pursuant to your Award may have adverse tax consequences to you that may be avoided or mitigated by filing an election under Section 83(b) of the Code. Such election must be filed within thirty (30) days after the date you purchase the shares pursuant to your Award. YOU ACKNOWLEDGE THAT IT IS YOUR RESPONSIBILITY, AND NOT THE COMPANY'S, TO FILE A TIMELY ELECTION UNDER CODE SECTION 83(B), EVEN IF YOU REQUEST THE COMPANY TO MAKE THE FILING ON YOUR BEHALF.

22. NOTICES. Any notices provided for in your Award or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

23. MISCELLANEOUS.

(a) The rights and obligations of the Company under your Award will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by the Company's successors and assigns. Your rights and obligations under your Award may only be assigned with the prior written consent of the Company.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

24. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan will control.

KURA ONCOLOGY, INC.

2015 EMPLOYEE STOCK PURCHASE PLAN
ADOPTED BY THE BOARD OF DIRECTORS: MARCH 6, 2015
APPROVED BY THE STOCKHOLDERS: MARCH 6, 2015

1. GENERAL; PURPOSE.

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan.

(b) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. ADMINISTRATION.

(a) The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time which Related Corporations of the Company will be eligible to participate in the Plan.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan.

(viii) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside the United States.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES OF COMMON STOCK SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 25,000 shares of Common Stock, plus the number of shares of Common Stock that are automatically added on January 1st of each year for a period of up to ten years, commencing on January 1, 2016 and ending on (and including) January 1, 2025, in an amount equal to the lesser of (i) 1.0 % of the total number of shares of Capital Stock outstanding on December 31st of the preceding calendar year, and (ii) 2,000,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1st increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. GRANT OF PURCHASE RIGHTS; OFFERING.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. ELIGIBILITY.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation. Except as provided in Section 5(b), an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which

coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which exceeds $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

6. PURCHASE RIGHTS; PURCHASE PRICE.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or

such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; and

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An Eligible Employee may elect to authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where applicable law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If specifically provided in the Offering, in addition to making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash or check prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute to such individual all of his or her accumulated but unused Contributions.

(d) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(e) Unless otherwise specified in the Offering, the Company will have no obligation to pay interest on Contributions.

8. EXERCISE OF PURCHASE RIGHTS.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) If any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock and such remaining amount is less than the amount required to purchase one share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will be held in such Participant's account for the purchase of shares of Common Stock under the next Offering under the Plan, unless such Participant withdraws from or is not eligible to participate in such Offering, in which case such amount will be distributed to such Participant after the final Purchase Date, without interest. If the amount of Contributions remaining in a Participant's account after the purchase of shares of Common Stock is at least equal to the amount required to purchase one whole share of Common Stock on the final Purchase Date of an Offering, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date of such Offering without interest.

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable federal, state, foreign and other securities and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 6 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all applicable laws, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest.

9. COVENANTS OF THE COMPANY.

The Company will seek to obtain from each federal, state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. DESIGNATION OF BENEFICIARY.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CORPORATE TRANSACTIONS.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share

reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. AMENDMENT, TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by applicable law or listing requirements, including any amendment that either (i) materially increases the number of shares of Common Stock available for issuance under the Plan, (ii) materially expands the class of individuals eligible to become Participants and receive Purchase Rights, (iii) materially increases the benefits accruing to Participants under the Plan or materially reduces the price at which shares of Common Stock may be purchased under the Plan, (iv) materially extends the term of the Plan, or (v) expands the types of awards available for issuance under the Plan, but in each of (i) through (v) above only to the extent stockholder approval is required by applicable law or listing requirements.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

(c) Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code.

13. EFFECTIVE DATE OF PLAN.

The Plan was approved by the Board in connection with the approval by the Board of an Agreement and Plan of Merger (the "***Merger Agreement***") by and among Zeta Acquisition Corp. III (the "***Company***"), Kura Oncology, Inc., a Delaware corporation ("***Kura***"), and Kura Operations, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("***Merger Sub***") pursuant to which Merger Sub merged with and into Kura, with Kura remaining as the surviving entity and a wholly-owned operating subsidiary of the Company (the "***Merger***"). Immediately following the Effective Time (as defined in the Merger Agreement), the Company changed its name from "Zeta Acquisition Corp. III" to "Kura Oncology, Inc." The Plan shall become effective upon the date that is 20 days after the mailing of a Schedule 14C Information Statement to the stockholders of the Company.

No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

14. MISCELLANEOUS PROVISIONS.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

15. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***Board***" means the Board of Directors of the Company.

(b) "***Capital Stock***" means each and every class of common stock of the Company, regardless of the number of votes per share.

(c) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(e) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(f) "***Common Stock***" means the common stock of the Company, having 1 vote per share.

(g) "***Company***" means Kura Oncology, Inc., a Delaware corporation.

(h) **"*Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(i) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 90% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(j) "***Director***" means a member of the Board.

(k) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(l) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(m) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(n) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(o) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be the **closing sales price** for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) **on the date of determination**, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with applicable laws and in a manner that complies with Sections 409A of the Code.

(p) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(q) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(r) "***Officer***" means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(s) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(t) "***Plan***" means this Kura Oncology, Inc. 2015 Employee Stock Purchase Plan.

(u) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(v) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(w) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(x) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(y) "***Securities Act***" means the Securities Act of 1933, as amended.

(z) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

Exhibit 10.4

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this ***"Agreement"***) dated as of _____, is made by and between **KURA ONCOLOGY, INC.**, a Delaware corporation (the ***"Company"***), and _____ (***"Indemnitee"***).

RECITALS

A. The Company desires to attract and retain the services of highly qualified individuals as directors, officers, employees and agents.

B. The Company's Amended and Restated Bylaws (the ***"Bylaws"***) require that the Company indemnify its directors and officers, and empowers the Company to indemnify its employees and other agents, as authorized by the Delaware General Corporation Law, as amended (the ***"Code"***), under which the Company is organized and such Bylaws expressly provide that the indemnification provided therein is not exclusive and contemplates that the Company may enter into separate agreements with its directors, officers and other persons to set forth specific indemnification provisions.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and available insurance as adequate under the present circumstances, and the Company has determined that Indemnitee and other directors, officers, employees and agents of the Company may not be willing to serve or continue to serve in such capacities without additional protection.

D. The Company desires and has requested Indemnitee to serve or continue to serve as a director, officer, employee or agent of the Company, as the case may be, and has proffered this Agreement to Indemnitee as an additional inducement to serve in such capacity.

E. Indemnitee is willing to serve, or to continue to serve, as a director, officer, employee or agent of the Company, as the case may be, if Indemnitee is furnished the indemnity provided for herein by the Company.

AGREEMENT

Now THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) Agent. For purposes of this Agreement, the term ***"agent"*** of the Company means any person who: (i) is or was a director**,** officer, employee or other fiduciary of the Company or a subsidiary of the Company; or (ii) is or was serving at the request or for the convenience of, or representing the interests of, the Company or a subsidiary of the Company, as a director, officer, employee or other fiduciary of a foreign or domestic corporation, partnership, joint venture, trust or other enterprise.

(b) Expenses. For purposes of this Agreement, the term ***"expenses"*** shall be broadly construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys', witness, or other professional fees and related disbursements, and other out-of-pocket costs of whatever nature), actually and reasonably incurred by Indemnitee in connection with the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification under this Agreement, the Code or otherwise, and amounts paid in settlement by or on behalf of Indemnitee, but shall not include any judgments, fines or penalties actually levied against Indemnitee for such individual's violations of law. The term "expenses" shall also include reasonable compensation for time spent by Indemnitee for which he is not compensated by the Company or any subsidiary or third party (i) for any period during which Indemnitee is not an agent, in the employment of, or providing services for compensation to, the Company or any subsidiary; and (ii) if the rate of compensation and estimated time involved is approved by the directors of the Company who are not parties to any action with respect to which expenses are incurred, for Indemnitee while an agent of, employed by, or providing services for compensation to, the Company or any subsidiary.

(c) Proceedings. For purposes of this Agreement, the term ***"proceeding"*** shall be broadly construed and shall include, without limitation, any threatened, pending, or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, and whether formal or informal in any case, in which Indemnitee was, is or will be involved as a party or otherwise by reason of: (i) the fact that Indemnitee is or was a director or officer of the Company; (ii) the fact that any action taken by Indemnitee or of any action on Indemnitee's part while acting as director, officer, employee or agent of the Company; or (iii) the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and in any such case described above, whether or not serving in any such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses may be provided under this Agreement.

(d) Subsidiary. For purposes of this Agreement, the term ***"subsidiary"*** means any corporation or limited liability company of which more than 50% of the outstanding voting securities or equity interests are owned, directly or indirectly, by the Company and one or more of its subsidiaries, and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(e) Independent Counsel. For purposes of this Agreement, the term ***"independent counsel"*** means a law firm, or a partner (or, if applicable, member) of such a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "independent counsel" shall not include any person who, under the applicable standards of professional conduct then

prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

2. Agreement to Serve. Indemnitee will serve, or continue to serve, as a director, officer, employee or agent of the Company or any subsidiary, as the case may be, faithfully and to the best of his or her ability, at the will of such corporation (or under separate agreement, if such agreement exists), in the capacity Indemnitee currently serves as an agent of such corporation or in such other capacity as agreed to between the Company and Indemnitee, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the bylaws or other applicable charter documents of such corporation, or until such time as Indemnitee tenders his or her resignation in writing; provided, however, that nothing contained in this Agreement is intended as an employment agreement between Indemnitee and the Company or any of its subsidiaries or to create any right to continued employment of Indemnitee with the Company or any of its subsidiaries in any capacity.

The Company acknowledges that it has entered into this Agreement and assumes the obligations imposed on it hereby, in addition to and separate from its obligations to Indemnitee under the Bylaws, to induce Indemnitee to serve, or continue to serve, as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

3. Indemnification.

(a) Indemnification in Third Party Proceedings. Subject to Section 10 below, the Company shall indemnify Indemnitee to the fullest extent permitted by the Code, as the same may be amended from time to time (but, only to the extent that such amendment permits Indemnitee to broader indemnification rights than the Code permitted prior to adoption of such amendment), if Indemnitee is a party to or threatened to be made a party to or otherwise involved in any proceeding, for any and all expenses, actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such proceeding.

(b) Indemnification in Derivative Actions and Direct Actions by the Company. Subject to Section 10 below, the Company shall indemnify Indemnitee to the fullest extent permitted by the Code, as the same may be amended from time to time (but, only to the extent that such amendment permits Indemnitee to broader indemnification rights than the Code permitted prior to adoption of such amendment), if Indemnitee is a party to or threatened to be made a party to or otherwise involved in any proceeding by or in the right of the Company to procure a judgment in its favor, against any and all expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement, or appeal of such proceedings.

(**c) Indemnification of Related Parties.** If (i) Indemnitee is or was affiliated with one or more venture capital funds that has invested in the Company (an ***"Appointing Stockholder"***), (ii) the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any proceeding, then the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee, but only to the extent

that Indemnitee is or would be entitled to indemnification hereunder in the same or any related action or proceeding, and provided that any such indemnification shall be subject to the same limitations set forth herein with respect to Indemnitee.

4. Indemnification of Expenses of Successful Party. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any proceeding or in defense of any claim, issue or matter therein, including the dismissal of any action without prejudice, the Company shall indemnify Indemnitee against all expenses actually and reasonably incurred in connection with the investigation, defense or appeal of such proceeding.

5. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses actually and reasonably incurred by Indemnitee in the investigation, defense, settlement or appeal of a proceeding, but is precluded by applicable law or the specific terms of this Agreement to indemnification for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

6. Advancement of Expenses. To the extent not prohibited by law, the Company shall advance the expenses incurred by Indemnitee in connection with any proceeding, and such advancement shall be made within twenty (20) days after the receipt by the Company of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) and upon request of the Company, an undertaking to repay the advancement of expenses if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the expenses. Advances shall include any and all expenses actually and reasonably incurred by Indemnitee pursuing an action to enforce Indemnitee's right to indemnification under this Agreement, or otherwise and this right of advancement, including expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee acknowledges that the execution and delivery of this Agreement shall constitute an undertaking providing that Indemnitee shall, to the fullest extent required by law, repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this Section shall continue until final disposition of any proceeding, including any appeal therein. This Section 6 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 10(b).

7. Notice and Other Indemnification Procedures.

(a) Notification of Proceeding. Indemnitee will notify the Company in writing promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any proceeding or matter which may be subject to indemnification or advancement of expenses covered hereunder. The failure of

Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

(b) Request for Indemnification and Indemnification Payments. Indemnitee shall notify the Company promptly in writing upon receiving notice of any demand, judgment or other requirement for payment that Indemnitee reasonably believes to be subject to indemnification under the terms of this Agreement, and shall request payment thereof by the Company. Indemnification payments requested by Indemnitee under Section 3 hereof shall be made by the Company no later than sixty (60) days after receipt of the written request of Indemnitee. Claims for advancement of expenses shall be made under the provisions of Section 6 herein.

(c) Application for Enforcement. In the event the Company fails to make timely payments as set forth in Sections 6 or 7(b) above, Indemnitee shall have the right to apply to any court of competent jurisdiction for the purpose of enforcing Indemnitee's right to indemnification or advancement of expenses pursuant to this Agreement. In such an enforcement hearing or proceeding, the burden of proof shall be on the Company to prove that indemnification or advancement of expenses to Indemnitee is not required under this Agreement or permitted by applicable law. Any determination by the Company (including its Board of Directors, stockholders or independent counsel) that Indemnitee is not entitled to indemnification hereunder, shall not be a defense by the Company to the action nor create any presumption that Indemnitee is not entitled to indemnification or advancement of expenses hereunder.

(d) Indemnification of Certain Expenses. The Company shall indemnify Indemnitee against all expenses incurred in connection with any hearing or proceeding under this Section 7 unless the Company prevails in such hearing or proceeding on the merits in all material respects.

8. Assumption of Defense. In the event the Company shall be requested by Indemnitee to pay the expenses of any proceeding, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, or to participate to the extent permissible in such proceeding, with counsel reasonably acceptable to Indemnitee. Upon assumption of the defense by the Company and the retention of such counsel by the Company, the Company shall not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that Indemnitee shall have the right to employ separate counsel in such proceeding at Indemnitee's sole cost and expense. Notwithstanding the foregoing, if Indemnitee's counsel delivers a written notice to the Company stating that such counsel has reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense or the Company shall not, in fact, have employed counsel or otherwise actively pursued the defense of such proceeding within a reasonable time, then in any such event the fees and expenses of Indemnitee's counsel to defend such proceeding shall be subject to the indemnification and advancement of expenses provisions of this Agreement.

9. Insurance. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any subsidiary (***"D&O Insurance"***), Indemnitee shall be covered by such policy

or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by certain of his or her affiliates (collectively, the ***"Other Indemnitors"***). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement, the Company's Amended and Restated Certificate of Incorporation ("***Certificate of Incorporation***"), Bylaws, or any D&O Insurance (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Other Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Other Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Other Indemnitors are express third party beneficiaries of the terms of this Section 9.

10. Exceptions.

(a) Certain Matters. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee on account of any proceeding with respect to (i) remuneration paid to Indemnitee if it is determined by final judgment or other final adjudication that such remuneration was in violation of law (and, in this respect, both the Company and Indemnitee have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication, as indicated in Section 10(d) below); (ii) a final judgment or other final adjudication rendered against Indemnitee for an accounting, disgorgement or repayment of profits made from the purchase or sale by Indemnitee of securities of the Company against Indemnitee or in connection with a settlement by or on behalf of Indemnitee to the extent it is acknowledged by Indemnitee and the Company that such amount paid in settlement resulted from Indemnitee's conduct from which Indemnitee received monetary personal profit, pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, or other provisions of any federal, state or local statute or rules and regulations thereunder; (iii) a final judgment or other final adjudication that Indemnitee's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or

constituted willful misconduct (but only to the extent of such specific determination); or (iv) on account of conduct that is established by a final judgment or other final adjudication as constituting a breach of Indemnitee's duty of loyalty to the Company or resulting in any personal profit or advantage to which Indemnitee is not legally entitled. For purposes of the foregoing sentence, a final judgment or other adjudication may be reached in either the underlying proceeding or action in connection with which indemnification is sought or a separate proceeding or action to establish rights and liabilities under this Agreement.

(b) Claims Initiated by Indemnitee. Any provision herein to the contrary notwithstanding, the Company shall not be obligated to indemnify or advance expenses to Indemnitee with respect to proceedings or claims initiated or brought by Indemnitee against the Company or its directors, officers, employees or other agents and not by way of defense, except (i) with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or under any other agreement, provision in the Bylaws or Certificate of Incorporation or applicable law, or (ii) with respect to any other proceeding initiated by Indemnitee that is either approved by the Board of Directors or Indemnitee's participation is required by applicable law. However, indemnification or advancement of expenses may be provided by the Company in specific cases if the Board of Directors determines it to be appropriate.

(c) Unauthorized Settlements. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee under this Agreement for any amounts paid in settlement of a proceeding effected without the Company's written consent. Neither the Company nor Indemnitee shall unreasonably withhold consent to any proposed settlement; provided, however, that the Company may in any event decline to consent to (or to otherwise admit or agree to any liability for indemnification hereunder in respect of) any proposed settlement if the Company is also a party in such proceeding and determines in good faith that such settlement is not in the best interests of the Company and its stockholders.

(d) Securities Act Liabilities. Any provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement to indemnify Indemnitee or otherwise act in violation of any undertaking appearing in and required by the rules and regulations promulgated under the Securities Act of 1933, as amended (the "Act"), or in any registration statement filed with the Securities and Exchange Commission under the Act. Indemnitee acknowledges that paragraph (h) of Item 512 of Regulation S-K currently generally requires the Company to undertake in connection with any registration statement filed under the Act to submit the issue of the enforceability of Indemnitee's rights under this Agreement in connection with any liability under the Act on public policy grounds to a court of appropriate jurisdiction and to be governed by any final adjudication of such issue. Indemnitee specifically agrees that any such undertaking shall supersede the provisions of this Agreement and to be bound by any such undertaking.

11**. Nonexclusivity and Survival of Rights**. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which Indemnitee may at any time be entitled under any provision of applicable law, the Certificate of Incorporation, Bylaws or other agreements, both as to action in Indemnitee's

official capacity and Indemnitee's action as an agent of the Company, in any court in which a proceeding is brought, and Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors, administrators and assigns of Indemnitee. The obligations and duties of the Company to Indemnitee under this Agreement shall be binding on the Company and its successors and assigns until terminated in accordance with its terms. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her corporate status prior to such amendment, alteration or repeal. To the extent that a change in the Code, whether by statute or judicial decision, permits greater indemnification or advancement of expenses than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, by Indemnitee shall not prevent the concurrent assertion or employment of any other right or remedy by Indemnitee.

12. Term. This Agreement shall continue until and terminate upon the later of: (a) five (5) years after the date that Indemnitee shall have ceased to serve as a director or and/or officer, employee or agent of the Company; or (b) one (1) year after the final termination of any proceeding, including any appeal then pending, in respect to which Indemnitee was granted rights of indemnification or advancement of expenses hereunder.

No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against an Indemnitee or an Indemnitee's estate, spouse, heirs, executors or personal or legal representatives after the expiration of five (5) years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such five-year period; provided, however, that if any shorter period of limitations is otherwise applicable to such cause of action, such shorter period shall govern.

13. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who, at the request and expense of the Company, shall execute all papers required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

14. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law.

15. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of the Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 14 hereof.

16. Amendment and Waiver. No supplement, modification, amendment, or cancellation of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice. Except as otherwise provided herein, any notice or demand which, by the provisions hereof, is required or which may be given to or served upon the parties hereto shall be in writing and, if by telegram, telecopy or telex, shall be deemed to have been validly served, given or delivered when sent, if by overnight delivery, courier or personal delivery, shall be deemed to have been validly served, given or delivered upon actual delivery and, if mailed, shall be deemed to have been validly served, given or delivered three (3) business days after deposit in the United States mail, as registered or certified mail, with proper postage prepaid and addressed to the party or parties to be notified at the addresses set forth on the signature page of this Agreement (or such other address(es) as a party may designate for itself by like notice). If to the Company, notices and demands shall be delivered to the attention of the Secretary of the Company.

18. Governing Law. This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

20. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and amends, restates and supersedes all prior agreements, understandings and negotiations, written and oral, between the parties with respect to the subject matter of this Agreement, including but not limited to any Indemnity Agreement previously entered into between the undersigned and the Company; provided, however, that this

Agreement is a supplement to and in furtherance of the Certificate of Incorporation, Bylaws, the Code and any other applicable law, and shall not be deemed a substitute therefor, and does not diminish or abrogate any rights of Indemnitee thereunder.

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IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the date first above written.

"COMPANY"

Kura Oncology, Inc.

By: _____
Name: _____
Title: _____

INDEMNITEE

_____
Signature of Indemnitee

_____
Print or Type Name of Indemnitee

KURA ONCOLOGY, INC.

EXECUTIVE EMPLOYMENT AGREEMENT
FOR
TROY WILSON

This Executive Employment Agreement (the "***Agreement***"), made between Kura Oncology, Inc. (the "***Company***") and Troy Wilson, Ph.D., J.D., (the "***Executive***") (collectively, the "***Parties***"), is effective as of October 1, 2014.

WHEREAS, the Company desires Executive to provide employment services to the Company, and wishes to provide Executive with certain compensation and benefits in return for such employment services; and

WHEREAS, Executive wishes to be employed by the Company and to provide personal services to the Company in return for certain compensation and benefits.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. EMPLOYMENT BY THE COMPANY.

1.1 Position. Executive will serve as the President and Chief Executive Officer of the Company. During the term of Executive's employment with the Company, Executive will devote Executive's best efforts and a reasonable amount of Executive's business time and attention to the business of the Company, and except for approved vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies.

1.2 Duties and Location. Executive will perform such duties as are required by the Company's Board of Directors, to whom Executive will report. Executive's primary office location will be located in Los Angeles, California. The Company reserves the right to reasonably require Executive to perform Executive's duties at places other than Executive's primary office location from time to time, and to require reasonable business travel. The Company may modify Executive's job title and duties as it deems necessary and appropriate in light of the Company's needs and interests from time to time.

1.3 Policies and Procedures. The employment relationship between the Parties will be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement will control.

2. COMPENSATION.

2.1 Salary. For services to be rendered hereunder, Executive will receive a base salary at the rate of **$330,000** per year (the "***Base Salary***") payable in installments in accordance with the Company's regular payroll schedule.

2.2 Bonus. Executive will be eligible for an annual discretionary bonus of up to **40**% of Executive's Base Salary (the "***Annual Bonus***"). Whether Executive receives an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined by the

Company's Board of Directors ("***Board***") in its sole discretion based upon the Company's and Executive's achievement of objectives and milestones to be determined on an annual basis by the Board. Executive must remain an active employee through the end of any given calendar year in order to earn an Annual Bonus for that year and any such bonus will be paid prior to March 15 of the year following the year in which such bonus was earned. Executive will not be eligible for, and will not earn, any Annual Bonus (including a prorated bonus) if Executive's employment terminates for any reason before the end of the calendar year.

3. STANDARD COMPANY BENEFITS. Executive shall be entitled to participate in all employee benefit programs for which Executive is eligible under the terms and conditions of the benefit plans that may be in effect from time to time and provided by the Company to its employees. The Company reserves the right to cancel or change the benefit plans or programs it offers to its employees at any time.

4. VACATION. Executive will be entitled to accrue and use paid vacation in accordance with the terms of the Company's vacation policy and practices, provided, however, that in no event will Executive's vacation accrual rate be lower than 3 weeks per year.

5. EXPENSES. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in furtherance or in connection with the performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

6. TERMINATION OF EMPLOYMENT; SEVERANCE.

6.1 At-Will Employment. Executive's employment relationship is at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause or advance notice.

6.2 Termination Without Cause; Resignation for Good Reason.

(a) Not in Connection with a Corporate Transaction. In the event Executive's employment with the Company is terminated by the Company without Cause (other than by reason of death or disability), or Executive resigns for Good Reason, then provided such termination or resignation constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "***Separation from Service***"), the Separation from Service occurs more than 59 days prior to or 12 months after the closing of a Corporate Transaction, and provided that Executive remains in compliance with the terms of this Agreement, the Company will provide Executive with a cash lump-sum payment in an amount equal to 12 months of Executive's annual base salary at the rate in effect on the effective date of Executive's Separation from Service, ignoring any decrease in base salary that forms the basis for Good Reason, payable on the 60th day following Executive's Separation from Service, provided the Release (as discussed in Section 6) has become effective.

(b) In Connection with a Corporate Transaction. In the event Executive's employment with the Company is terminated by the Company without Cause (other than by reason of death or disability), or Executive resigns for Good Reason, and provided such termination or resignation constitutes a Separation from Service and such the Separation from Service occurs within 59 days prior to, on or within 12 months following the closing of a Corporate

Transaction, and provided that Executive remains in compliance with the terms of this Agreement, the Company will provide Executive with the following severance benefits:

(i) A cash lump-sum payment in an amount equal to 12 months of Executive's annual base salary at the rate in effect on the effective date of Executive's Separation from Service, ignoring any decrease in base salary that forms the basis for Good Reason, less standard deductions and withholdings, payable on the 60th day following Executive's Separation from Service, provided the Release (as discussed in Section 7) has become effective.

(ii) A cash lump-sum payment in an amount equal to the Executive's full target bonus amount for services to be performed during the year in which the Corporate Transaction occurs, less standard deductions and withholdings, payable on the 60th day following Executive's Separation from Service, provided the Release (as discussed in Section 7) has become effective.

(iii) Provided Executive timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), the Company will pay the COBRA premiums to continue Executive's coverage (including coverage for eligible dependents, if applicable), subject to withholding if deemed necessary to comply with applicable laws, through the period (the "***COBRA Premium Period***") starting on the Executive's Separation from Service and ending on the earliest to occur of: (i) 12 months following Executive's Separation from Service; (ii) the date Executive becomes eligible for group health insurance coverage through a new employer; or (iii) the date Executive ceases to be eligible for COBRA continuation coverage for any reason. In the event Executive becomes covered under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Executive must immediately notify the Company of such event.

(iv) One hundred percent of any equity held by Executive will be deemed vested and exercisable (if applicable) as of Executive's last day of employment.

6.3 Resignation Without Good Reason; Termination for Cause; Death or Disability. If Executive resigns without Good Reason, or the Company terminates Executive's service for Cause, or upon Executive's death or disability, then all payments of compensation by the Company to Executive hereunder will terminate immediately (except as to amounts already earned), and Executive will not be entitled to any benefits under Section 6.2(a) or Section 6.2(b).

7. RELEASE OF CLAIMS. The receipt of any benefits under Section 6.2(a) or Section 6.2(b) will be subject to Executive providing a signed release of claims in a form reasonably satisfactory to the Company (the "***Release***"), and allowing such Release to become irrevocable, within 60 days following Executive's Separation from Service.

8. SECTION 409A.

8.1 It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A.

8.2 A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a Separation from Service and, for purposes of any such provision of this Agreement, references to a "termination," "termination of service" or like terms will mean Separation from Service. If Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a Separation from Service, such payment or benefit will be made or provided at the date which is the earlier of (A) the expiration of the six-month period measured from the date of such Separation from Service of Executive, and (B) the date of Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 8.2 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) will be paid or reimbursed to Executive in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein.

8.3 To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder will be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (B) any right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year will in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

8.4 For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period will be within the sole discretion of the Company. Notwithstanding any other provision of this Agreement to the contrary, in no event will any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

9. DEFINITIONS.

9.1 ***"Cause"*** with respect to Executive means Executive has: (a) been convicted of or pled guilty or *nolo contendere* to a felony or any crime involving moral turpitude or dishonesty; (b) participated in a fraud or act of dishonesty against the Company; (c) materially breached any agreement between such Executive and the Company or any written policy of the Company, and not cured such breach within five days of the Company's written notice of such breach; (d) engaged in conduct that demonstrates gross unfitness to serve; or (e) engaged in willful misconduct or refused to comply with any lawful directive of the Company, and not cured such noncompliance within five days of the Company's written notice of such noncompliance.

9.2 ***"Code"*** means the Internal Revenue Code of 1986, as amended.

9.3 "***Good Reason***" will exist for resignation from employment with the Company if any of the following actions are taken by the Company without Executive's prior written consent:

(a) a material reduction in Executive's base salary, unless pursuant to a salary reduction program applicable generally to the Company's similarly situated employees;

(b) a material reduction in Executive's duties (including responsibilities and/or authorities);

(c) a material reduction in the authority, duties, or responsibilities of the supervisor to whom Executive is required to report, including a requirement that Executive report to an employee of the Company other than the Chief Executive Officer;

(d) relocation of Executive's principal place of employment to a place that increases Executive's one-way commute by more than 50 miles as compared to Executive's then-current principal place of employment immediately prior to such relocation; or

(e) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which Executive provides services.

(f) In order to resign for Good Reason, Executive must provide written notice to the Company within 30 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for Executive's resignation, allow the Company at least 30 days from receipt of such written notice to cure such event, and if such event is not reasonably cured within such period, Executive must resign from all positions Executive then holds with the Company not later than 90 days after the expiration of the cure period.

9.4 ***"Corporate Transaction"*** means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(a) a sale, lease or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(b) a merger, consolidation, or similar transaction of the Company following which such entity is not the surviving entity;

(c) a merger, consolidation or similar transaction of the Company following which such entity is the surviving entity but the shares outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

Notwithstanding the foregoing, the term Corporate Transaction will not include (i) a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, or (ii) the acquisition of securities of the Company by an investor or any affiliate thereof that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities. In addition, to the extent required for compliance with Code Section 409A, in no event will an event be deemed a Corporate Transaction if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

10. PROPRIETARY INFORMATION OBLIGATIONS.

10.1 Confidential Information Agreement. As a condition of employment, Executive will execute and abide by the Company's standard form of Proprietary Information and Invention Assignment Agreement (the "***Confidentiality Agreement***") and Arbitration Agreement.

10.2 Third-Party Agreements and Information. Executive represents and warrants that Executive's employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that Executive will perform Executive's duties to the Company without violating any such agreement. Executive represents and warrants that Executive does not possess confidential information arising out of prior employment, consulting, or other third party relationships, that would be used in connection with Executive's employment with the Company, except as expressly authorized by that third party. During Executive's employment with the Company, Executive will use in the performance of Executive's duties only information which is generally known and used by persons with training and experience comparable to Executive's own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by Executive in the course of Executive's work for the Company.

11. OUTSIDE ACTIVITIES DURING EMPLOYMENT.

11.1 Non-Company Business. Except with the prior written consent of the Board, Executive will not during the term of Executive's employment with the Company undertake or engage in any employment, occupation or business enterprise, other than ones in which Executive is a passive investor or as permitted under Section 11.2. Executive shall be entitled to serve on the board of directors of such other companies as may be approved in advance by the Chief Executive Officer, in each case, so long as Executive remain in compliance with Section 11 and such service does not interfere with Executive's duties under this Agreement. Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of Executive's duties hereunder.

11.2 No Adverse Interests. Except with the prior written consent of the Board, Executive will not during the term of Executive's employment with the Company acquire, assume or participate in, directly or indirectly, any position, investment or interest known to be adverse or antagonistic to the Company, its business or prospects, financial or otherwise, provided that this does not prohibit Executive's continued involvement in any existing investments or ownership, for investment purposes only, of not more than 3% of

the outstanding stock of any company listed on a national securities exchange, or actively traded in a national over-the-counter market. For the sake of clarity, Executive may continue Executive's involvement and ownership in Avidity Nanomedicines LLC, Araxes Pharma LLC and Wellspring Biosciences LLC.

12. NON-SOLICITATION. Executive agrees that during the period of employment with the Company and for 12 months after the date Executive's employment is terminated for any reason, Executive will not, either directly or through others, solicit or encourage or attempt to solicit or encourage any employee, independent contractor, or consultant of the Company to terminate his or her relationship with the Company in order to become an employee, consultant or independent contractor to or for any other person or entity.

13. DISPUTE RESOLUTION. To ensure the timely and economical resolution of disputes that may arise in connection with Executive's employment with the Company, Executive and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, Executive's employment, or the termination of Executive's employment, including but not limited to statutory claims, will be resolved to the fullest extent permitted by law by final, binding and confidential arbitration, by a single arbitrator, in San Diego, California, conducted by JAMS, Inc. ("***JAMS***") under the then applicable JAMS rules (which can be found at the following web address: http://www.jamsadr.com/rulesclauses). By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding. The Company acknowledges that Executive will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator will: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator will be authorized to award any or all remedies that Executive or the Company would be entitled to seek in a court of law. The Company will pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of the Executive if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either Executive or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

14. GENERAL PROVISIONS.

14.1 Notices. Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to Executive at the address as listed on the Company payroll.

14.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the parties.

14.3 Waiver. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it will not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

14.4 Complete Agreement. This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between Executive and the Company with regard to this subject matter and is the complete, final, and exclusive embodiment of the Parties' agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in a writing signed by a duly authorized officer of the Company.

14.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

14.6 Headings. The headings of the paragraphs hereof are inserted for convenience only and will not be deemed to constitute a part hereof nor to affect the meaning thereof.

14.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the written consent of the Company, which will not be withheld unreasonably.

14.8 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first written above.

KURA ONCOLOGY, INC.

By: /s/ Heidi Henson
Name: Heidi Henson
Title: CFO

EXECUTIVE

/s/ Troy Wilson
Name: Troy Wilson

Exhibit 10.6

*****Text Omitted and Filed Separately with the Securities and Exchange Commission.**
Confidential Treatment Requested Under
17 C.F.R. Sections 200.80(b)(4) and 240.24b-2

Execution Copy

LICENSE AGREEMENT

This **LICENSE AGREEMENT** (the ***"Agreement"***) is made and effective as of the date of execution by the last Party to sign below (the ***"Effective Date"***), by and between Kura Oncology, Inc., a company organized and existing under the laws of the State of Delaware having a business address at 11119 North Torrey Pines Road, Suite 125, San Diego, California, (***"Company"***), and Janssen Pharmaceutica NV, a company organized and existing under the laws of Belgium having a business address at Turnhoutseweg 30, 2340 Beerse, Belgium (***"Janssen"***). Company and Janssen are each referred to individually as a ***"Party"*** and together as the ***"Parties."***

RECITALS

WHEREAS, Janssen owns, directly and through its Affiliates, certain rights relating to its proprietary compound known as tipifarnib (also known as R115777) and a certain back-up compound; and

WHEREAS, Company wishes to obtain from Janssen certain rights to develop and commercialize tipifarnib and such back-up compound for human use in the field of oncology, and Janssen is willing to grant such rights in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions. Unless the context otherwise requires, the terms in this Agreement with initial letters capitalized, shall have the meanings described below, or the meaning as designated in the indicated places throughout this Agreement.

"AAA" means the American Arbitration Association.

"Accounting Standards" means Generally Accepted Accounting Principles in the United States or the International Financial Reporting Standards, as appropriate, as generally and consistently applied in compliance with Applicable Laws throughout the relevant Party's organization at the relevant time.

"Affiliate" means, in reference to a particular Party, any corporation or other entity that directly or indirectly controls, is controlled by, or is under common control with such Party. For purposes of this definition, *"control"* or *"controlled"* means ownership, directly or indirectly, of more than fifty percent (50%) of the shares of stock entitled to vote for the election of directors in the case of a corporation, or more than fifty percent (50%) of the equity interest in the case of any other type of legal entity (or if the jurisdiction where such corporation or other entity is domiciled prohibits foreign ownership of such entity, the maximum foreign ownership interest

permitted under such laws, provided that such ownership interest provides actual control over such entity), status as a general partner in any partnership, or any other arrangement whereby an entity controls or has the right to control the board of directors or equivalent governing body of the entity.

"Alliance Manager" shall have the meaning set forth in Section 3.2.

"Applicable Laws" shall mean the applicable provisions of any and all national, supranational, regional, state and local laws, treaties, statutes, rules, regulations, administrative codes, guidance, ordinances, judgments, decrees, directives, injunctions, orders, permits (including Marketing Authorizations) of or from any court, arbitrator, Regulatory Authority or governmental agency or authority having jurisdiction over or related to the subject item, including to the FCPA, Export Control Laws, and other laws and regulations pertaining to domestic or international corruption, commercial bribery, fraud, embezzlement, or money-laundering.

"Bankruptcy" means, with respect to a Party, that: (a) the Party has been declared insolvent or bankrupt by a court of competent jurisdiction; or (b) a voluntary or involuntary petition in bankruptcy is filed in any court of competent jurisdiction against the Party and such petition has not dismissed within ninety (90) days after filing; or (c) the Party has made or executed an assignment of substantially all of its assets for the benefit of creditors.

"Bioequivalent" means, with respect to the drug substance (or active pharmaceutical ingredient) contained in one pharmaceutical product in reference to the drug substance (or active pharmaceutical ingredient) of another pharmaceutical product, that the two substances are recognized by a Regulatory Authority as being both pharmaceutically and therapeutically equivalent to each other.

"Breaching Party" shall have the meaning set out in Section 14.2.

"Business Day" means any day, other than Saturday or Sunday, on which the banks in New York, New York and San Diego, California are generally open for business.

"Claims" shall have the meaning set out in Section 13.1.

"Combination Product" means (a) any Product containing or comprising a Compound and at least one (1) active ingredient that is not a Compound; or (b) any combination of a Product and another pharmaceutical product containing or comprising at least one (1) active ingredient that is not a Compound where the Product and such other product are not formulated together but are sold together and invoiced as one (1) product.

"Commercialize" means, in reference to a Product, performing any activities directed to marketing, promoting, offering for sale, or selling a Product for use in the Field, including detailing and medical affairs activities, and distribution and importation activities in support thereof.

"Commercially Reasonable Efforts" means the carrying out of obligations or tasks in a commercially diligent manner consistent with the efforts that a similarly situated company in the pharmaceutical industry would reasonably devote to a research, development or marketing program owned by such company or to which such company has exclusive rights, of similar market potential and at a similar stage of development, based on conditions then prevailing, and taking into account efficacy, safety, regulatory authority approved labeling, the competitiveness of alternative products in the marketplace, the patent and other proprietary position of the products, ability to finance the program, medical and clinical considerations, the likelihood of regulatory approval given the regulatory structure involved, the profitability of the products, including the royalties payable to licensors of patent or other rights, and the costs of development, manufacture and marketing.

"Company Indemnified Party" shall have the meaning set out in Section 12.2.

"Company Patent Rights" means all Development Program Patent Rights that include any claim Covering (a) any Reverted Product or Compound therein for which Janssen exercises its option rights under Section 15.2(b), (b) any method of using such Reverted Product or Compound therein in the Field, or (c) method of Manufacturing such Reverted Product or Compound therein. For the sake of clarity, Company Patent Rights include all related Patent Rights arising in the course of Prosecution of the foregoing Patent Rights.

"Company Sublicensee" shall mean any of Company's Affiliates or any Third Party to which Company grants a sublicense of rights granted by Janssen to Company under this Agreement, but not including any Third Party to the extent that it functions as a distributor of Product.

"Compound" means: (a) the compound known as R115777 or tipifarnib, which has the structure shown in Exhibit 1, or the compound known as R208176, which has the structure shown in Exhibit 1; or (b) or a Bioequivalent of either such compound (such as a pharmaceutical salt, acid, base, hydrate, solvate, ester, polymorph, or stereoisomer thereof); or (c) an active metabolite, prodrug, or radiolabeled form of any of the foregoing defined in clause (a) or (b).

"Confidential Information" means any: (i) Know-How or other proprietary or unpublished business, scientific, technical, formulation, process, manufacturing, clinical, non-clinical, regulatory, marketing, financial or commercial information or data, which is generated by or on behalf of a Party or which one Party or any of its Affiliates has supplied or otherwise made available to the other Party either during the Term for purposes contemplated by this Agreement or pursuant to the Confidentiality Agreement, whether made available orally, in writing, or in electronic form, including information comprising or relating to concepts, discoveries, inventions, data, designs or formulae in relation to this Agreement; or (ii) sample of any compound, reagent, biological specimen, or other material which one Party or any of its Affiliates has supplied or otherwise made available to the other Party during the Term of this Agreement for purposes contemplated hereunder.

"Confidentiality Agreement" means the Confidential Disclosure Agreement between Janssen Research & Development, LLC (an Affiliate of Janssen) and Wellspring Biosciences LLC together with Araxes Pharma LLC dated November 8, 2013.

"Control" (and, with correlative meaning, ***"Controlled"***) means, with respect to any Know-How, Patent Rights or other intellectual property rights, the legal authority or right (whether by ownership, license or otherwise, but without taking into account any rights granted by one Party to the other Party under the terms of this Agreement) of a Party to grant access, a license or a sublicense of or under Know-How, Patent Rights, or intellectual property rights to the other Party, or to otherwise disclose proprietary or trade secret information to the other Party, without breaching the terms of any agreement with a Third Party.

"Convertible Note" shall have the meaning set out in Section 6.1(b).

"Cover" means, with respect to a claim of any Patent Rights in reference to a specified invention or technology, reading on, or literally encompassing such invention or technology under principles of applicable patent law, whether generically or specifically.

"Date of Delivery" shall have the meaning set out in Section 2.2(b).

"Develop" means, in reference to a Compound or Product, performing any Pre-Phase I research or development, clinical trials (including Phase I Studies, Phase II Studies, Phase III Studies, and post-marketing studies), and other activities to study a Compound or Product and develop it toward approval, and to maintain approval, for Commercialization of the Product in the Field, including toxicology and ADME tests, analytical method development, stability testing, process development and improvement, process validation, process scale-up, formulation development, delivery system development, quality assurance and quality control development, statistical analysis, pre- and post-approval clinical studies or trials, regulatory affairs, and regulatory activities.

"Development Plan" means the written plan of activities to be performed by or on behalf of Company hereunder to Develop any Licensed Product for use in the Field, as such plan may be supplemented or otherwise amended from time to time.

"Development Program" means the activities conducted by or on behalf of Company after the Effective Date in Developing any Compound or Products for use in the Field.

"Development Program Invention" means an invention (whether or not patentable) arising in the Development Program directly from any Development activities performed by or on behalf of Company hereunder, including any invention made in the Development Program pertaining to the Manufacture, administration, delivery, dosing, or use in the Field of any Compound or Product.

"Development Program IP" means the Development Program Know-How and Development Program Patent Rights, collectively.

"Development Program Know-How" means any and all Know-How generated or developed in the Development Program, which Know-How is necessary or reasonably useful to Develop, Manufacture, use, import, offer for sale, sell, or otherwise Commercialize any Compound or Product in the Field and in the Territory, including for purposes of illustration: any Development Program Inventions; clinical trial data, non-clinical data or other information relating to any form of any Compound or Product, any method of using any Compound or Product in the Field, any method of Manufacturing, or delivering any Compound or Product, the use of any Compound in any Combination Product, any companion diagnostic for use in Developing or Commercializing a Product in the Field, any method of testing, or characterizing any Compound or Product; and any data and other information contained in any regulatory filings relating to any Compound or Product.

"Development Program Patent Right" means any Patent Right filed after the Effective Date, and Controlled by Company, that includes (as filed or at any other time during its pendency in a Patent Office) any claim Covering any Development Program Invention and is necessary or reasonably useful to Develop, Manufacture, use, import, offer for sale, sell, or otherwise Commercialize any Compound or Product in the Field and in the Territory. For purposes of illustration, Development Program Patent Rights may include one or more claims Covering any Compound or Product form, any method of using any Compound or Product in the Field, any method of Manufacturing, or delivering any Compound or Product, the use of any Compound in any Combination Product (excluding, for the avoidance of doubt, Patent Rights directed to other active ingredients alone), or any companion diagnostic for use in Commercializing any Product in the Field.

"Dispute" means any dispute, claim, or controversy arising from or regarding this Agreement, including the interpretation, application, breach, termination or validity of any provision hereof.

"EMA" means the European Medicines Agency and any successor thereto.

"Excluded Claim" means a dispute, controversy or claim that concerns (i) the validity, enforceability or infringement of a patent, trademark or copyright; or (ii) any antitrust, anti-monopoly or competition law or regulation, whether or not statutory.

"Exercise Notice" shall have the meaning set out in Section 2.2(c).

"Existing Third Party Agreements" means the agreements between Janssen or an Affiliate and a Third Party that are listed in Exhibit 5, as such agreements and Exhibit may be amended from time to time, subject to Section 11.3(a). For clarity, the Existing Third Party Agreements exclude the […***…] License.

"Export Control Laws" shall mean all applicable U.S. laws and regulations relating to (a) sanctions and embargoes imposed by the Office of Foreign Assets Control of the U.S. Department of Treasury or (b) the export or re-export of commodities, technologies, or services, including, but not limited to, the Export Administration Act of 1979, 24 U.S.C. §§ 2401-2420, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706, the Trading with

the Enemy Act, 50 U.S.C. §§ 1 et. seq., the Arms Export Control Act, 22 U.S.C. §§ 2778 and 2779, and the International Boycott Provisions of Section 999 of the U.S. Internal Revenue Code of 1986 (as amended).

"FCPA" shall mean the U.S. Foreign Corrupt Practices Act (15 U.S.C. Section 78dd-1, et. seq.) as amended.

"FDA" means the United States Food and Drug Administration and any successor thereto.

"Field" means the treatment, prevention, palliation or diagnosis of any human oncology diseases, disorders or medical conditions, […***…].

"First Commercial Sale" means the first arm's length sale of a Product in a country in the Territory by Company or any Company Sublicensee to a Third Party following receipt of Marketing Authorization in such country, if such Marketing Authorization is required. For clarity, a sale by Company or Company Sublicensee to a wholesaler shall be considered a commercial sale.

"Generic Product" shall have the meaning set out in Section 6.3(c)(ii).

"Good Clinical Practice" or ***"GCP"*** means the then-current good clinical practice standards applicable to the clinical Development of a Compound or Product under Applicable Law, including ICH guidelines.

"Good Laboratory Practice" or ***"GLP"*** means the then-current good laboratory practice standards applicable to the Development of a Compound or Product under Applicable Law, including 21 C.F.R. Part 58.

"Good Manufacturing Practice" or ***"GMP"*** means the then-current good manufacturing practice standards applicable to the Manufacturing of a Compound or Product under Applicable Law, including 21 C.F.R. parts 210 and 211 and all applicable FDA rules, regulations, orders and guidances.

"IND" means an investigational new drug application filed with the FDA or the corresponding application filed with the Regulatory Authority in any other country, for authorization to proceed with the clinical investigation of a Product in any country or group of countries, as defined in the Applicable Laws.

"Indemnified Losses" has the meaning set out in Section 12.1.

"Indemnified Party" has the meaning set out in Section 12.3(a).

"Indemnifying Party" has the meaning set out in Section 12.3(a).

"Indication" means a specific therapeutic or prophylactic application or use in the Field for which a Compound or Product is being Developed in the Development Program. For the

avoidance of doubt, the Parties acknowledge that there may be more than one Indication for any given histology or tumor type, such as for front-line treatment, relapsed refractory treatment, and maintenance treatment of the same tumor type.

"*Janssen Indemnified Party*" shall have the meaning set out in Section 12.1.

"*Janssen IP*" means the Janssen Patent Rights and Janssen Know-How.

"*Janssen Know-How*" means all Know-How Controlled by Janssen or any of its Affiliates as of the Effective Date that is specific to any Compound or Product and contained in the records identified in Exhibit 3, as such Exhibit may be amended from time to time, including such Know-How pertaining to: processes; techniques; toxicological, pharmacological, clinical, and chemical data; specifications; medical uses; adverse reactions; and manufacture and quality control methods.

"*Janssen Patent Rights*" means all Patent Rights Controlled by Janssen or any of its Affiliates identified in Exhibit 2(A) and Exhibit 2(B), and any Patent Rights related thereto Controlled by Janssen or any of its Affiliates that are filed or issued after the Effective Date.

"*Janssen TM Rights*" means the Trademark Rights Controlled by Janssen or any of its Affiliates identified in Exhibit 4, and any Trademark Rights related thereto Controlled by Janssen or any of its Affiliates that are filed or registered after the Effective Date.

"*JJDC*" shall have the meaning set out in Section 6.1(b).

"*Joint Development Committee*" or **"*JDC*"** means a joint committee established by the Parties pursuant to Section 3.3 to monitor and discuss Development of Product hereunder.

"*Know-How*" means all technical information, know-how and data, including: inventions, discoveries, trade secrets, specifications, instructions, processes, formulae, materials, expertise and other technology applicable to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them or processes for their manufacture, formulations containing them or compositions incorporating or comprising them, and including all biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical and analytical, safety, quality control, manufacturing, preclinical and clinical data, instructions, processes, formulae, expertise and information, relevant to the development, manufacture, use or sale of and/or which may be useful in studying, testing, developing, producing or formulating products, or intermediates for the synthesis thereof.

"*MAA*" means an application for the authorization for marketing of a Product in any country or group of countries outside the United States, and all supplements, including all documents, data and other information concerning the Product, as defined in the Applicable Laws and filed with the Regulatory Authority of a given country or group of countries.

"Major Market Country" means each of the following countries: […***…].

"Manufacturing" means, in reference to a Compound or Product, performing any activities to manufacture the Compound or Product into final form for end use in the Field, including producing intermediates or building blocks used to manufacture the Compound of the Product, manufacturing such intermediates or building blocks into Compound (e.g., in bulk form), formulating the Compound into Product in finished dosage form, filling, finishing, packaging, labeling, performing quality assurance testing and release, and shipping and storing the packaged Product.

"Marketing Authorization" means the grant of any and all approvals (including supplements, amendments, pre- and post-approvals, pricing and reimbursement approvals), licenses, registrations or authorizations of any national, supra-national (e.g., the European Commission or the Council of the European Union), regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity, that are necessary for the manufacture, distribution, use and sale of a Product in a regulatory jurisdiction, including where required, pricing and reimbursement approvals.

"NDA" means a new drug application and all supplements filed with the FDA, including all documents, data and other information concerning a Product which are necessary for, or included in, a Marketing Authorization to use, sell, supply and market the Product in the United States.

"Net Sales" means the gross amounts invoiced on sales, or gross operating revenues earned for other commercial dispositions, of a Product by Company or any Company Sublicensee to a Third Party purchaser that is not a Company Sublicensee in an arms-length transaction, less the following customary deductions, determined in accordance with Accounting Standards, to the extent specifically and solely allocated to such Product and actually taken, paid, accrued, allowed, included or allocated based on good faith estimates in the gross sales prices with respect to such sales (and consistently applied as set forth below):

(a) normal and customary trade, cash and/or quantity discounts, allowances, and credits allowed or paid, in the form of deductions actually allowed or fees actually paid with respect to sales of such Product (to the extent not already reflected in the amount invoiced) excluding commissions for commercialization;

(b) excise taxes, use taxes, tariffs, sales taxes and customs duties, and/or other government charges imposed on the sale of Product to the extent included in the price and separately itemized on the invoice price (but specifically excluding, for clarity, any income taxes assessed against the income arising from such sale) (including VAT, but only to the extent that such VAT taxes are not reimbursable or refundable);

(c) outbound freight, shipment and insurance costs to the extent included in the price and separately itemized on the invoice price;

(d) compulsory payments and cash rebates related to the sales of such Product paid to a governmental authority (or agent thereof) pursuant to Applicable Laws by reason of any national or local health insurance program or similar program, to the extent allowed and taken; including government levied fees as a result of healthcare reform policies;

(e) retroactive price reductions, credits or allowances actually granted upon rejections or returns of Product, including for recalls or damaged good and billing errors; and

(f) rebates, chargebacks, and discounts (or equivalent thereof) actually granted to managed health care organizations, pharmacy benefit managers (or equivalent thereof), federal, state/provincial, local or other governments, or their agencies or purchasers, reimbursers, or trade customers.

All aforementioned deductions shall only be allowable to the extent they are commercially reasonable and shall be determined, on a country-by-country basis, as incurred in the ordinary course of business in type and amount consistent with Company's or the Company Sublicensee's (as the case may be) business practices consistently applied across its product lines and in accordance with Accounting Standards and verifiable based on its sales reporting system. All such discounts, allowances, credits, rebates, and other deductions shall be fairly and equitably allocated to Product and other products of Company or the Company Sublicensee such that Product does not bear a disproportionate portion of such deductions.

In the event Product is sold as a Combination Product and the Third Party customer receives a specific discount for such "bundling" of products (for clarity, this situation describes bundling of two or more separate products, each in finished dosage form, and not a fixed combination of two active pharmaceutical ingredients), the Net Sales of such Combination Product, for the purposes of determining royalty payments due hereunder, shall be determined by multiplying the relevant Net Sales by the fraction A/(A+B), where A is the weighted (by sales volume) average sale price in a particular country of the Product in the previous calendar year when sold separately and B is the weighted average sale price in that country in the previous calendar year of the other product sold separately. In the event that such average sale price cannot be determined for either the Product or the other product it has been sold with, in combination, (1) for purposes of determining any royalties due hereunder, the bundling discount granted shall be considered as having been granted in its entirety with respect to the other product only and shall not be applied to the sales of any Product or (2) Net Sales for purposes of determining royalties due shall be multiplied by an adjustment factor which will be the fraction equal to one divided by the number of active ingredients in such Combination Product.

"Non-Breaching Party" shall have the meaning set out in Section 14.2.

"Other Licensee" means any other Third Party identified in a notice by Janssen to Company as having been granted licensee rights to develop and commercialize Compounds or Products outside of the Field.

"Paragraph IV Certification" shall have the meaning set forth in Section 8.3(a).

"Patent Expenses" means the actual out-of-pocket fees, expenses and disbursements (including payments made to Third Party agents) paid by a Party to any Third Party such as its outside patent counsel or agent, or any Patent Offices, in connection with the Prosecution of particular Patent Rights, including the costs of patent interference and opposition proceedings, reissues, and reexaminations.

"Patent Office" means the United States Patent and Trademark Office, European Patent Office, or other government agency or office responsible for the examination of patent applications or granting of patents in a country, region, or supra-national jurisdiction.

"Patent Rights" means, with respect to a particular invention, any and all original (priority-establishing) patents and patent applications filed anywhere in the world including any claim covering the invention, including provisional and nonprovisional applications, and all related applications thereafter filed including any claim covering such invention or including a common priority right, including any continuations, continuations-in-part, divisional and substitute applications, any patents issued or granted from any such patent applications, and any reissues, renewals, reexaminations, extensions (including by virtue of any supplementary protection certificates) of any such patents, and any confirmation patents, inventor's certificates or registration patents or patents of addition based on any such patents, and all foreign counterparts or equivalents in any country or jurisdiction of any of the foregoing.

"Patent Term Extension" means an extension of the term of any issued patent, or a right of protection equivalent to such an extension, granted under the U.S. Drug Price Competition and Patent Term Restoration Act of 1984, the Supplementary Certificate of Protection of the member states of the European Union, or another similar law or regulation in any other country or jurisdiction. For clarity, a pediatric extension extending the term of any patent shall not be deemed a Patent Term Extension.

"Phase I Study" means a study in humans which provides for the first introduction into humans of a product, conducted in normal volunteers or patients to generate information on product safety, tolerability, pharmacological activity or pharmacokinetics, as more fully defined in Federal Regulation 21 C.F.R. §312.21(a) and its foreign equivalents.

"Phase II Study" means a study in humans of the safety, dose ranging and efficacy of a Product, which is prospectively designed to generate sufficient data (if successful) to commence a Phase III Study or to file for 21 C.F.R. Subpart H accelerated approval, as further defined in Federal Regulation 21 C.F.R. §312.21(b) and its foreign equivalents.

"Phase III Study" means a pivotal study in humans of the efficacy and safety of a Product, which is prospectively designed to demonstrate statistically whether such product is effective and safe for use in a particular indication in a manner sufficient to file an NDA or MAA to obtain regulatory approval to market the product, as further defined in Federal Regulation 21 C.F.R. §312.21(c) and its foreign equivalents.

"POC Data Package" means a package of materials comprising copies of written reports providing all raw data (excluding, for the avoidance of doubt, any private patient data or any

other information that cannot be provided under Applicable Law) from the POC Trial in Company's possession and Control and other information, including summaries, analyses, findings, conclusions and other results from the POC Trial in Company's possession and Control that is reasonably required for Janssen to make a decision about exercising the ROFN.

"POC Trial" means a Phase II Study of the Compound tipifarnib in HRAS mutant patients in the Field, as more fully described in the Development Plan.

"Pre-Phase I" means the initial portion of a development program prior to initiation of a Phase I Study, which starts with the selection of a compound and includes initiation of GMP scale-up activities and GLP toxicological studies. For illustrative purposes, Pre-Phase I development activities typically include toxicological (full-scale GLP toxicology for obtaining approval from a Regulatory Authority to administer Product to humans in clinical trials), pharmacological and any other studies required for filing an IND, as well as Product formulation and manufacturing development necessary to obtain the permission of Regulatory Authorities to begin a Phase I Study.

"Product" means any preparation, kit, article of manufacture, composition of matter, material, formulation, dosage or administration form, or product containing or comprising a Compound, alone or together with one or more active or inactive ingredients.

"Prosecuting" means, with regard to specified Patent Rights, preparing, filing, prosecuting, maintaining, and defending such Patent Rights in Patent Office proceedings or appeals therefrom, including with respect to any reexamination, reissue, interference, revocation, invalidation, protest, or opposition proceedings. For the avoidance of doubt, "Prosecuting" excludes any infringement suits or other legal proceedings to enforce the specified Patent Rights, regardless of whether or not such proceedings also involve the defense of the Patent Rights in suit.

"Regulatory Authority" means a federal, national, multinational, state, provincial or local regulatory agency, department, bureau or other governmental entity with authority over the testing, manufacture, use, storage, import, promotion, marketing or sale of a pharmaceutical product in a country or territory, including the FDA and the EMA.

"Regulatory Exclusivity" means a right granted by a Regulatory Authority in a country with respect to a Product affording the ability to preclude a Third Party from commercializing a product that could compete with such Product in such country, either through data exclusivity rights, new chemical entity designation, orphan drug designation, or such other rights conferred by a Regulatory Authority in such country, other than through Patent Rights.

"Regulatory Filing" means any documentation comprising or relating to or supporting any filing or application with any Regulatory Authority with respect to a Compound or Product, or its use or potential or investigative use in humans, including any documents submitted to any Regulatory Authority and all supporting data, including INDs, supportive documents enabling a clinical program, NDAs and MAAs, and all correspondence with any Regulatory Authority with respect to any Compound or Product (including minutes of any meetings, telephone conferences or discussions with any Regulatory Authority).

"Reverted Products" shall have the meaning set out in Section 14.2(a).

"ROFN" shall have the meaning set forth in Section 2.2(a).

"ROFN Term" shall have the meaning set forth in Section 2.2(a).

"Royalty Term" shall have the meaning set forth in Section 8.2.

"Senior Officers" means the designated senior representative of Janssen and the Chief Executive Officer of Company.

"Supply Costs" shall have the meaning set out in Section 4.6(b).

"Taxes" means any present or future taxes, levies, imposts, duties, charges, assessments, or fees of any nature (including any interest thereon).

"Term" shall have the meaning set forth in Section 13.1.

"Territory" means the entire world.

"Third Party" means any entity other than Janssen or Company or an Affiliate of Janssen or Company.

"Third Party Infringement" shall have the meaning set forth in Section 8.3(a).

"Third Party Sublicense" shall have the meaning set forth in Section 6.2(d).

"Trademark Rights" means all registered and unregistered trademarks (including all common law rights thereto), service marks, trade names, brand names, logos, taglines, slogans, certification marks, internet domain names, trade dress, corporate names, business names and other indicia of origin, together with the goodwill associated with any of the foregoing, and all applications, registrations, extensions, and renewals thereof throughout the world, and all rights therein provided by international treaties and conventions.

"United States" or ***"U.S."*** means the United States of America and its territories and possessions.

"[…***…] ***License"*** means the Non-Exclusive License Agreement between […***…] and Janssen Pharmaceutica NV dated as of […***…].

"Valid Claim" means, with respect to referenced Patent Rights, (a) a published and pending claim of a patent application that is included in the Patent Rights […***…] for such claim and […***…] or […***…], or (b) […***…] included in the Patent Rights in any country that (i) […***…];

(ii) has not […***…]; (iii) has not been […***…], or […***…], has been […***…]; and (iv) has not been […***…] or not […***…] in such country from which […***…].

"ZARNESTRA Mark" means the trademark "ZARNESTRA".

1.2 Interpretations. In this Agreement, unless the context requires otherwise:

(a) the headings are included for convenience only and shall not affect its construction;

(b) references to "persons" includes individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

(c) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

(d) the words "comprise", "comprising", "contain", "containing", "include" and "including" are used in their open, non-limiting form, and shall be understood to include the words "without limitation" even if not expressly stated;

(e) a Party includes its permitted assignees and/or the respective successors in title to substantially the whole of its undertaking;

(f) any reference to a specified enactment, statute, regulation, or other provision of any Applicable Law is a reference to it as it may have been, or may from time to time be amended, modified, consolidated or re-enacted at the relevant time;

(g) all references to "dollars" or "$" shall mean United States dollars; and

(h) the Exhibits and other attachments form part of the operative provisions of this Agreement and references to this Agreement shall, unless the context otherwise requires, include references to the recitals and the Exhibits and attachments. In the event of any inconsistency between the Exhibits and the terms of the body of this Agreement, the terms of the body of this Agreement shall prevail.

2. GRANT OF RIGHTS

2.1 Grant of Commercial License to Company.

(a) Under Janssen IP. Subject to the terms and conditions of this Agreement (including Article 6), Janssen hereby grants to Company an exclusive (even as to Janssen and its Affiliates, subject to the ROFN pursuant to Section 2.2), sublicensable (subject to Sections 2.2 and 2.4), license during the Term, under the Janssen IP, to Develop, use, offer for sale, sell, and otherwise Commercialize Compounds and Products in the Field throughout the Territory, and to

make, have made, use, and import Compounds and Products throughout the Territory for such purposes.

(b) Under ZARNESTRA® Trademark. Subject to the terms and conditions of this Agreement (including Article 6), Janssen hereby grants to Company an exclusive (even as to Janssen and its Affiliates, subject to the ROFN pursuant to Section 2.2), sublicensable (subject to Sections 2.2 and 2.4), license during the Term, under the Janssen TM Rights, to use the ZARNESTRA Mark and the goodwill pertaining thereto throughout the Territory in the Field, solely in connection with the exercise of Company's license under Section 2.1(a) (including use on labeling, package inserts, monographs, packaging materials, promotional materials, and marketing material). Janssen will not grant any Third Party a license under the Janssen TM Rights to use the ZARNESTRA Mark and the goodwill pertaining thereto in connection with the Commercialization of any Product.

(c) Option for Sublicense under […***…] **License.** Janssen, upon authorization by the […***…], grants Company an exclusive option, exercisable by notice from Company to Janssen at any time hereunder during the term of the […***…] License, to be granted authorization or a non-exclusive sublicense, under the Patent Rights then Controlled by Janssen under the […***…] License, solely for purposes of exercising any rights granted to Company under Section 2.1(a) above, provided that Company agrees to and shall assume all responsibility for making all payments that become due to Janssen's licensor under the […***…] License on account of any activities by Company or any Company Sublicensees in exercise of its sublicense rights under the […***…] License. Promptly after Company exercises such option, the Parties shall negotiate and execute a written sublicense agreement documenting the grant of sublicense rights under the […***…] License to Company and Company's payment obligations as provided above. For clarification, this Section 2.1(c) does not limit Janssen's right to grant to any Third Party an option to be granted authorization or a non-exclusive sublicense under the Patent Rights then Controlled by Janssen under the […***…] License solely for purposes other than exercising the rights granted to Company under Section 2.1(a) above.

2.2 Right of First Negotiation.

(a) ROFN Grant. Subject to the terms and conditions of this Agreement, Company hereby grants to Janssen a first right to negotiate, during the ROFN Term, for an exclusive license back from Company, under the Development Program IP and the Janssen IP and Janssen TM Rights, to Develop and Commercialize Compounds and Products in the Field in any or all countries of the Territory on commercially reasonable terms to be negotiated in good faith by the Parties and that reasonably reflect Company's further Development of Compounds and Products (the ***"ROFN"***). Janssen may exercise the ROFN at any time during the sixty (60) -day period following the Date of Delivery by Company to Janssen of the POC Data Package or such longer or shorter period agreed in writing by the Parties (the ***"ROFN Term"***). For the avoidance of doubt, until expiration of the ROFN Term, without Janssen's exercise of the Option, Company shall not grant any Third Party any right to Develop (except as a subcontractor on Company's behalf) or Commercialize any Compounds in the Field. If a POC Trial is not initiated or completed within a reasonable time after the Effective Date, then upon a Party's request to the other, the Parties shall confer and attempt to negotiate a redefinition of the ROFN

Term that is reasonable in light of the circumstances. For clarity, nothing in this Section 2.2 shall prohibit Company from negotiating and completing any transaction for the sale of all or substantially all of its business or assets (whether by merger, sale of stock, sale of assets, or otherwise), provided that any successor in interest to Company would remain subject to all obligations of Company hereunder, including the ROFN.

(b) Delivery of POC Data Package. Following completion of the POC Trial of a Product under the Development Plan, Company will provide Janssen with the POC Data Package. If, within […***…] days after the date Company first provides the POC Data Package to Janssen, Janssen provides written notice to Company requesting additional information that would reasonably be expected to be included in the POC Data Package, then Company shall use Commercially Reasonable Efforts to provide Janssen such requested additional information. The date that Company initially provides the POC Data Package or, if Janssen requests additional information in accordance with this Section 2.2(b), the date that Company provides additional information for inclusion in the POC Data Package or advises Janssen in writing that such additional information cannot be provided after using Commercially Reasonable Efforts, as applicable, shall be the ***"Date of Delivery"*** of the POC Data Package.

(c) Exercise of ROFN. Subject to the terms and conditions of this Agreement, Janssen may exercise the ROFN at any time during the ROFN Term by sending written notice of such exercise ("***Exercise Notice***") to Company.

(d) Effect of Expiration or Termination of ROFN. If Janssen does not exercise the ROFN during the ROFN Term by providing an Exercise Notice to Company, then the ROFN shall terminate and Company shall be free to grant rights to Compounds and Products in the Field to one or more Third Parties. If Janssen exercises the ROFN during the ROFN Term by providing an Exercise Notice to Company, the Parties will negotiate in good faith to enter into a definitive license agreement within […***…] days after the Exercise Notice (as may be extended or shortened by written agreement of the Parties, the ***"Negotiation Period"***). If Janssen gives Company an Exercise Notice during the ROFN Term but the Parties do not enter into a definitive license agreement during the Negotiation Period, then the obligations to negotiate a definitive license agreement shall terminate and Company shall be free to grant rights to Compounds and Products in the Field to one or more Third Parties, provided that during the […***…] month period following the last date of the Negotiation Period, Company shall not enter into any agreement granting any Third Party any such rights on financial terms that, overall, are more favorable to the Third Party than those last offered by Janssen to Company during the Negotiation Period.

2.3 Reservation of Rights. Subject to the ROFN and to the licenses and sublicenses that are or may be granted to each Party pursuant to Section 2.1 and/or 2.2 and the other terms and conditions of this Agreement, (i) Janssen retains all rights under the Janssen IP and Janssen TM Rights that are not expressly licensed to Company hereunder, including with respect to: (a) chemical compounds, other than Compounds, that are Covered by any claim of the Janssen Patent Rights; or (b) applications of Compounds and Products outside the Field, and Company agrees not to practice either any Know-How within the Janssen IP that is Janssen's Confidential Information subject to the confidentiality obligations and restrictions on use under Article 9 or

any inventions that are Covered by any Valid Claims of the Janssen Patent Rights, except pursuant to the licenses expressly granted to Company in this Agreement and (ii) Company retains all rights under the Janssen IP that are not expressly sublicensed or licensed to Janssen

pursuant to the exercise of the ROFN and to the Development Program IP that are not expressly licensed to Janssen pursuant to the exercise of the ROFN or as provided in Section 14.2(b), and Janssen agrees not to practice either any Development Program Know-How that is Company's Confidential Information subject to the confidentiality obligations and restrictions on use under Article 9 or any inventions that are Covered by any Valid Claims of the Development Program Patent Rights, except pursuant to the licenses expressly granted to Janssen as contemplated by this Agreement. No right or license under any Patent Rights or Know-How of either Party is granted or shall be granted by implication. All rights or licenses under a Party's intellectual property rights are or shall be granted only as expressly provided in the terms of this Agreement or any other written agreement between the Parties.

2.4 Sublicenses. Upon expiration of the ROFN Term or, if the ROFN has been exercised during the ROFN Term, expiration of the Negotiation Period pursuant to Section 2.2 above, Company shall have the right to grant sublicenses of the rights granted to it under Section 2.1 of this Agreement to its Affiliates and to Third Parties, provided that:

(a) any sublicense agreement (it being acknowledged that the grant of limited rights to use materials under materials transfer agreements, contract research agreements and clinical trial agreements is not considered a sublicense for this purpose) shall be in writing and, with the exception of the financial terms, be on substantially the same terms as this Agreement;

(b) any such sublicense agreement shall provide for the termination of the sublicense upon termination of this Agreement, except that any such sublicense to a Third Party shall not terminate upon termination of this Agreement but instead shall remain in full force and effect if the sublicensee is not then in material breach of its sublicense agreement and such sublicensee provides to Janssen within […***…] days after termination of this Agreement a written agreement to be bound as licensee under the terms and conditions of this Agreement as to a field within the Field and a territory within the Territory in which such sublicensee has been granted rights under its sublicense agreement; and

(c) Company shall be liable for all acts or omissions of its sublicensees and shall at all times, and at its own cost, enforce compliance by the sublicensee with the terms of the sublicense agreement.

2.5 Subcontracting. Company may subcontract the performance of Development, Manufacturing and Commercialization activities with respect to Compounds and Products to Affiliates or Third Parties at its discretion.

3. ALLIANCE MANAGEMENT

3.1 General. Except as may otherwise be expressly provided herein or as provided in any definitive agreement entered into by the Parties pursuant to Section 2.2, the Parties

acknowledge and agree that Company is undertaking the responsibility for performance of the Development Program.

3.2 Alliance Managers. Within […***…] days after the Effective Date, each Party will appoint a representative having a general understanding of pharmaceutical development and commercialization issues ("***Alliance Manager***"). The Alliance Managers will be primarily responsible for facilitating the flow of information and otherwise promoting routine communications between the Parties hereunder with regard to the Development Program. Each Party may replace its Alliance Manager on written notice to the other Party.

3.3 Joint Development Committee.

(a) Establishment of JDC. Promptly after the Effective Date, the Parties shall establish a Joint Development Committee, composed of the Alliance Managers and […***…] additional representatives from Company and […***…] additional representatives from Janssen as its members. Each Party will designate by written notice its initial members to serve on the JDC. Each Party may replace its representatives on the JDC by written notice to the other Party.

(b) JDC Responsibilities. The JDC, which will have no decision-making authority, will monitor the activities of Company in the Development Program and serve as a forum for reviewing Company' progress and results of the Development Program.

(c) JDC Meetings. The JDC shall meet at least semi-annually through completion of the POC Trial and at such other times as the Parties may agree. The first meeting of the JDC shall be held as soon as reasonably practicable following the Effective Date. Meetings shall be held at such place or places as are mutually agreed or by teleconference or videoconference, provided that at least one representative of Janssen and one representative of Company are present at any JDC meeting. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives on the JDC, to attend JDC meetings on an ad hoc basis. The JDC meetings will be chaired by Company. The chairperson shall set agendas for JDC meetings in advance. Company will be responsible for recording, preparing and, within a reasonable time, issuing draft minutes of each JDC meeting to each Party's Alliance Manager for review, who upon their approval shall issue final minutes to the Parties.

(d) Expenses. Each Party shall bear all its own costs, including expenses incurred by its JDC members or by any additional non-member participants of such Party in connection with their attendance at JDC meetings and other activities related to the JDC.

(e) POC Trial Design Input. Promptly after […***…], Company shall use Commercially Reasonable Efforts to provide the JDC with Company's initial Development Plan, which shall include a description of the clinical study design for the POC Trial. Company may supplement and amend the Development Plan and shall use Commercially Reasonable Efforts to provide the JDC with any such supplement or amendment. The Development Plan, and any supplements or amendments thereto, shall be discussed at a JDC meeting, and Company shall reasonably consider the input from discussions at JDC meetings

regarding the design of the POC Trial and any other plans for any Phase II Study or Phase III Study of any Compound or Product in the Development Program.

(f) Review of Plans and Results. In advance of each JDC meeting, Company will provide the JDC representatives with a summary regarding the Development activities performed by or on behalf of Company since the last JDC meeting (if any), including a description of data, results, and other information generated in, and any activities planned for, Developing any Compounds or Products. Without limiting the generality of the foregoing, such summaries shall include (a) the status and results of any Development activities, including, non-clinical and/or preclinical studies and activities (including toxicology and pharmacokinetic studies); and (b) the Regulatory Filings and Marketing Authorization applications with respect to any Compound and Product that Company or any Company Sublicensee has filed, sought, or obtained.

(g) No Authority to Modify Agreement. For the avoidance of doubt, the JDC shall have no authority to modify any provision set forth in the body or in any Exhibit of this Agreement, including any payment conditions or terms, periods for performance, or obligations of the Parties as set forth in this Agreement, which may be modified only by written agreement of the Parties.

(h) Disbanding of the JDC. Upon expiration of the ROFN Term or, if the ROFN has been exercised during the ROFN Term, expiration of the Negotiation Period, the JDC shall be disbanded.

4. DEVELOPMENT PROGRAM

4.1 Responsibility; Diligence. Company (directly and through Company Sublicensees) will be responsible, at its own expense, for further Development of Compounds and Products in the Field in the Territory. Company (directly and through Company Sublicensees) shall use Commercially Reasonable Efforts to Develop […***…] through Marketing Authorization in […***…]. For the avoidance of doubt, the foregoing diligence requirement shall not be construed so as to necessitate that Company seek Marketing Authorization in all […***…] simultaneously.

4.2 Records. Company shall, and shall require its subcontractors to, maintain in accordance with Applicable Law complete and accurate records in segregated laboratory notebooks of all work conducted in furtherance of the Development of Compounds and Products, including all raw data, observations, conclusions, and analyses. Such records shall be complete and accurate and shall fully and properly reflect all work done and results achieved in sufficient detail and in a manner appropriate for patent and regulatory purposes.

4.3 Use of Animals. In conducting any Development Program activities involving any animals, (i) the animals shall be provided with humane care and treatment in accordance with current generally accepted veterinary practice, and (ii) in accordance with Janssen's Guidelines on the Care & Use of Laboratory Research Animals appended to this Agreement as Exhibit 6.

4.4 Standards for Conduct. Company shall use Commercially Reasonable Efforts to execute and to perform, or cause to be performed, Development activities with Compounds and Products in in good scientific manner and in compliance with Applicable Law, Good Clinical Practice, and Good Laboratory Practice.

4.5 Development Reports. Following the disbanding of the JDC, Company shall submit to Janssen […***…] written progress reports by […***…] of the Term covering Company's (and Company Sublicensees') activities related to the Development of each Product in the Field in the Territory, the status of obtaining Marketing Authorization, and other activities undertaken in order to meet the diligence requirement set forth in Section 4.1, until First Commercial Sale of such Product in the Field in the United States, which reports will be again required if, and for so long as, all sales of such Product are suspended or discontinued in all countries during the Term. Upon Janssen's reasonable request, Company shall supplement any such Development progress report with other information in its possession that is pertinent to the Development efforts with respect to Products in the Field in the Territory for as long as the respective diligence obligation under Section 4.1 applies. For the avoidance of doubt, all information contained in such reports shall be deemed Company's Confidential Information.

4.6 Drug Supply for Development.

(a) Responsibility. Following the Effective Date, Company will be solely responsible, itself and through its Affiliates and sublicensees at their own expense, for Manufacturing or having Manufactured Compound and Product for Development purposes, including for producing clinical supplies. The Manufacturing of supplies of Compound and Product for human use shall be performed in accordance with Applicable Law and Good Manufacturing Practice.

(b) Supply from Janssen's Inventory. Notwithstanding the foregoing, if Company wishes to acquire all quantities of Compound or Product along with the intermediate T1994 used in the synthesis of a certain Compound ("Existing Supply") from Janssen's existing supply, including for purposes of Kura supplying patients in accordance with Section 4.6(c) below, Company will notify Janssen within […***…] days of the Effective Date, and Janssen will thereafter ship promptly to Company or its designee, […***…] related to the Existing Supply […***…] (***"Supply Costs"***), such available Existing Supply, which is provided to Company "AS IS" except for confirmation that such Existing Supply is being provided […***…]. Company agrees to pay the Supply Costs. Upon receipt of such Existing Supply, the Supply Costs shall be due from Company and payable within […***…] days of Company receipt of an invoice from Janssen. Company acknowledges that any such supply of EXISTING SUPPLY is without any representations or warranties except as expressly provided in this Section 4.6(b), including any warranty of merchantability or fitness for a particular purpose. Company further acknowledges that, if Company doesn't notify Janssen within […***…] days of the Effective Date to acquire Existing Supply held by Janssen, Janssen may elect to supply Third Parties with Existing Supply

existing as of the Effective Date, and that there is no guarantee that there will be any amount available at any given time for transfer to Company under this Section 4.6(b).

(c) Supply to Existing Patients. Notwithstanding Section 4.6(b), Company acknowledges that there are ongoing clinical trials under certain agreements, and a certain number of patients continue to receive Compound pursuant thereto or thereafter for compassionate use purposes. Company agrees that it shall assume the responsibility to continue to supply of Compound to such patients under such purposes or allow Janssen retain supply to supply such patients under such purposes. Company shall notify Janssen within […***…] days from the Effective Date whether or not it will allow Janssen to supply such patients for such purposes.

4.7 Know-How Transfer and Assistance. Janssen shall transfer, at Company's expense, to Company or its designee, copies of the Janssen Know-How documentation listed in Exhibit 3 (including any updates thereto) (which shall be treated as Janssen's Confidential Information, with respect to Janssen Know-How and during the Term of this Agreement, and Company's Confidential Information too), including that relating to Development and Manufacture of the Compound and Product as used by or on behalf of Janssen or its Affiliates in any clinical or non-clinical studies, and shall complete shipment (in one shipment or on a rolling basis) of all Janssen Know-How within Janssen's or its Affiliates' possession during the period running […***…] days from the Effective Date and use Commercially Reasonable Efforts to transfer any other Janssen Know-How within a reasonable timeframe. Janssen will prioritize for shipment copies of Regulatory Filings within the Janssen Know-How documentation. For the period running […***…] days after Company's receipt of the copies of the Janssen Know-How and for no more than a cumulative of […***…] hours, Janssen will provide reasonable assistance requested by Company to facilitate its understanding of the Janssen Know-How by making one representative of Janssen reasonably available for meetings or teleconferences and e-mail communications regarding the content of the Janssen Know-How documentation. In addition, if Janssen determines that it or its Affiliate has the right to assign or otherwise transfer under Applicable Law and any Existing Third Party Agreements, Janssen will itself or through its Affiliates as appropriate, assign or otherwise transfer to Company (considering, e.g., Applicable Law), any Regulatory Filings pertaining to the Compound tipifarnib relevant to its use in the Field that are held by Janssen or any of its Affiliates, or, if Janssen determines that it or its Affiliate does not have the right to assign or otherwise transfer any Regulatory Filings pertaining to the Compound tipifarnib relevant to its use in the Field, provide Company with a right of cross-reference or access to any such Regulatory Filings, with the right to grant Company Sublicensees and Third Parties performing Development or Manufacturing activities on behalf of Company or Company Sublicensees the further right of cross-reference or access to such Regulatory Filings, as appropriate. Janssen and its Affiliates will not assign or otherwise transfer any Regulatory Filings pertaining to any Compound relevant to its use in the Field that are held by Janssen or any of its Affiliates to any Other Licensee. To the extent Regulatory Filings are assigned or otherwise transferred to Company, Company (directly or through Company Sublicensees) shall provide Janssen or its Affiliates with a right of cross-reference or access to any such Regulatory Filings to the extent Janssen or any of its Affiliates develops Compounds outside the Field and will grant to any Other Licensee a right of

cross-reference or access to any such Regulatory Filings for purposes outside the Field, as appropriate. For clarity, Janssen is not obligated to provide any other assistance beyond that which is set forth in Section 4.7, except as may be agreed upon by the Parties in a separate written service agreement.

4.8 Regulatory Submissions. Company (directly or through its Company Sublicensees) shall be responsible for submitting (or having submitted) all Regulatory Filings after the Effective Date, for maintaining a safety database, and for obtaining and maintaining all Marketing Authorizations for Products in the Field. Company (directly or through Company Sublicensees) shall use Commercially Reasonable Efforts to coordinate with Janssen or with any Other Licensee as necessary to compile, maintain, and report adverse event and other relevant safety data from use of Compounds and Products as required by Applicable Laws. Janssen agrees to include in any license agreement with an Other Licensee a comparable agreement of such Other Licensee to coordinate with Company as necessary to compile, maintain, and report adverse event and other relevant safety data from use of Compounds and Products as required by Applicable Laws. All Regulatory Filings submitted in connection with obtaining Marketing Authorizations to test or market a Compound or Product in the Field after the Effective Date shall be owned by and submitted by and in the name and at the sole expense of, Company or a Company Sublicensee or subcontractor. If Janssen exercises the ROFN, Company will reasonably cooperate with and provide reasonable assistance to Janssen, in connection with the transition of development activities and filings to any Regulatory Authority relating to the Program Compounds or Products in the Field, including by executing any required documents, transferring to Janssen all of Company's right, title and interest in and to the IND filed by Company with respect to the Product, and providing copies of all reasonably required documentation.

4.9 Later Discovered Know-How. In the event that after the Effective Date Janssen or the Company discovers Know-How Controlled by Janssen or its Affiliates which was not listed in Exhibit 3 and is necessary or reasonably useful to Develop, Manufacture, use, import, offer for sale, sell, or otherwise Commercialize any Compound or Product in the Field in the Territory (collectively "Discovered Know-How"), that is readily available, Janssen will provide such Discovered Know-How to the Company and such Discovered Know-How shall be deemed to be Janssen Know How under this Agreement.

5. COMMERCIALIZATION

5.1 Responsibility; Diligence. Company (directly and through Company Sublicensees) will be responsible, at its own expense, for Commercialization of Compounds and Products in the Field in the Territory. Company (directly and through its Company Sublicensees) shall use Commercially Reasonable Efforts to Commercialize Products in countries where Marketing Authorization has been obtained.

5.2 Legal Compliance. Company agrees that in performing any Commercialization activities with respect to any Compounds or Products as contemplated hereunder, it shall, and shall use reasonable measures to cause its Affiliates, Company Sublicensees, and subcontractors

to, comply with all applicable current international regulatory standards and other Applicable Laws.

5.3 Commercialization Reports. Company shall submit to Janssen annual written progress reports concurrently with the royalty report provided pursuant to Section 7.1(c) for the last calendar quarter of each year of the Term following First Commercial Sale of the applicable Product in the Field in the United States covering Company's (and any of Company Sublicensees') activities related to the Commercialization of each Product in the Field in the Territory undertaken in order to meet the diligence requirement set forth in Section 5.1. Upon Janssen's reasonable request, Company shall supplement any such progress reports with other information in its possession that is pertinent to the diligence requirement set forth in Section 5.1.

5.4 Use of ZARNESTRA Mark. Company shall have the right, but not the obligation, to use the ZARNESTRA Mark as provided in Section 2.1(b). All goodwill associated with Company's use of the ZARNESTRA Mark will inure to the benefit of Janssen. All representations of the ZARNESTRA Mark that Company intends to use shall first be submitted to Janssen for approval, such approval not to be unreasonably withheld or delayed. Janssen will notify Company promptly in writing with respect to any objections Janssen may have with respect to the ZARNESTRA Mark use and Company shall promptly comply with Janssen's reasonable directions regarding the use of the ZARNESTRA Mark. For the avoidance of doubt, this Agreement does not grant Company any license or other rights to any other trademarks, designs, logos, slogans, taglines, trade names or trade dress that Janssen owns or otherwise controls.

6. FINANCIAL PROVISIONS

6.1 Upfront and Convertible Note.

(a) As partial consideration for the rights and obligations as set forth herein, Company shall pay Janssen a non-refundable license fee of one million US dollars (US$1,000,000). Janssen shall invoice Company promptly after the Effective Date, and Company shall make such payment within […***…] days of receipt thereof.

(b) Not more than […***…] days following the Effective Date, and subject to Janssen's receipt of the funds set forth in subsection (a) above, Johnson & Johnson Innovation—JJDC, Inc., an Affiliate of Janssen ("***JJDC***"), will loan one million US dollars ($1,000,000) to Company on the terms set forth in the form of convertible promissory note attached hereto as Exhibit 9 (the "***Convertible Note***").

(c) In connection with this Section 6.1, JJDC will make the representations and warranties to Company set forth on Exhibit 10.

(d) The entirety of this Section 6.1 shall survive termination of this Agreement to the extent that the provisions of this Section 6.1 have not been complied with in full prior to such termination.

6.2 Milestone Payments.

(a) Development Milestones. Each of the milestone payments identified in this Section 6.2(a) shall be due one time only upon the first achievement by Company or any Company Sublicensee of the specified milestone event with respect to any Compound or Product in the Field. For clarity, the milestone payment for each of milestone events described in clauses (i) and (iii) specified below shall be due one time only, and the milestone payment for each of milestone events described in clauses (ii) and (iv) shall be due one time only with respect to each additional (e.g., second, third, fourth, etc.) Indication. In further consideration of the license rights granted to Company under Section 2.1, Company shall promptly provide written notification to Janssen, at Beerse (Belgium), Turnhoutseweg 30, Attention: Finance Manager ([…***…]) upon achievement of each Development Milestone. Such notification shall indicate that the Development Milestone was achieved and request that Janssen send a written invoice for such milestone to a specific address, if such address is different than that indicated in Section 15.11: Notices. Within […***…] days of the receipt of the invoice for each of the corresponding Development Milestones listed below, Company shall pay by wire transfer the amount listed in each invoice to Janssen to the bank account identified in Section 7.2.

Development Milestone Event	Milestone Payment (USD)
(i) […***…]	$ […***…]
(ii) […***…]	$ […***…]
(iii) […***…]	$ […***…]
(iv) […***…]	$ […***…]

(b) Sales Milestones. In further consideration of the license rights granted to Company under Section 2.1, solely upon the first occurrence during the Term of aggregate worldwide Net Sales of all Products (cumulative over time, whether within […***…] or more after the First Commercial Sale) surpassing the sales threshold identified below, Company shall immediately provide written notification to Janssen, at Beerse (Belgium), Turnhoutseweg 30, Attention: Finance Manager ([…***…]) upon achievement of each Sales Milestone. Such notification shall indicate that the one-time corresponding sales milestone was achieved and request that Janssen send a written invoice for such milestone to a specific address, if such address is different than that indicated in Section 15.2: Notices. Within […***…] days of the receipt of the invoice for each of the corresponding Sales Milestones listed below, Company shall pay by wire transfer the amount listed in each invoice to Janssen to the bank account identified in Section 7.2. For the avoidance of doubt, if in the same reporting period

multiple sales milestones are first attained, then the payments for all such milestones attained as specified below shall be due.

Sales Threshold (aggregate worldwide Net Sales of Products) in US dollars	Milestone Payment (USD)
> […***…]	$ […***…]
> […***…]	$ […***…]
> […***…]	$ […***…]
> […***…]	$ […***…]

(c) Clarification. For the avoidance of doubt, different milestones as specified in this Section 6.2 may be achieved by the same or a distinct Compound or Product. Additionally, should a Compound or Product be replaced or backed up by another Compound or Product, no additional milestone payments shall be due under Section 6.2 for milestone events completed by the replacement or back-up Compound or Product for which corresponding milestone payments were previously made to Company with respect to such replaced Compound or Product.

(d) Third Party Sublicense. In the event that Company sublicenses any of its rights to Compounds and/or Products to any Company Sublicensee that is a Third Party (***"Third Party Sublicense"***), Company would pay Janssen […***…] percent ([…***…]%) of all monetary compensation received by Company from the Company Sublicensee, including upfront and lump-sum payments and milestone payments, in consideration of the grant of a sublicense under the rights granted by Janssen to Company under this Agreement (excluding the amounts described below); however, (i) in the case of milestone payments for the milestone events set forth in Section 6.2, Company would pay Janssen the greater of (A) […***…] percent ([…***…]%) of such milestone payments and (B) such milestone payment otherwise due under Section 6.2 of this Agreement, but not both; and (ii) if Company receives a milestone from a Third Party for a milestone event that is not listed in Section 6.2, Company would pay Janssen […***…] percent ([…***…]%) of the milestone from the sublicensee. For example, if Company receives a milestone payment of $[…***…] from a Company Sublicensee that is a Third Party for receipt of […***…], Company would pay Janssen $[…***…] (which is greater than […***…] percent ([…***…]%) of $[…***…]) . In no event will the payment under this Section 6.2(d) apply to: (i) debt financing of Company or its Affiliate, (ii) amounts received by Company or its Affiliate as the purchase price, at fair market value, for equity securities of Company or its Affiliate; (iii) reimbursements to Company or its Affiliate of costs for filing, prosecuting and maintaining Patent Rights; (iv) reimbursement to Company or its Affiliate for the cost of research and/or development activities performed or services or materials provided by Company or its Affiliate, and (v) royalty payments or similar payments based on Net Sales. Company shall immediately provide written notification to Janssen, at Beerse (Belgium), Turnhoutseweg 30, Attention: Finance Manager ([…***…]) upon achievement of each Third Party Sublicense. Such notification shall indicate that a Third Party Sublicense was achieved and

request that Janssen send a written invoice for any payment then due under this Section 6.2(d) to a specific address, if such address is different than that indicated in Section 15.2: Notices. Within […***…] days of the receipt of the invoice for any payment due under this Section 6.2(d), Company

shall pay by wire transfer the amount listed in each invoice to Janssen to the bank account identified in Section 7. If any Third Party Sublicense monetary compensation received by Company is in a currency other than US Dollars, the payment due under this Section 6.2(d) shall be calculated in such currency and then converted into their US Dollar equivalent using the closing exchange rate as published by The Wall Street Journal, Western U.S. Edition for the day the Third Party Sublicense compensation was achieved by Company.

6.3 Royalty Payments.

(a) Royalty Basis and Rate. In partial consideration of the license rights under Section 2.1, royalties shall be due from Company on aggregate Net Sales of Products during the Royalty Term, and royalties shall be determined on a Product-by-Product and country-by-country basis where either: (i) […***…]; (ii) […***…]; or (iii) […***…] years from First Commercial Sale. Royalties due each calendar year of the Royalty Term shall be calculated by multiplying the applicable incremental Net Sales of Products against the applicable royalty rate identified below, subject to any applicable adjustments or reductions provided for in Section 6.3(c), with each royalty rate referred to below applying only to that increment of annual Net Sales that falls within the incremental sales bracket for such royalty rate.

Aggregate annual Net Sales of Products	***Royalty Rate***
Less than or equal to $[…***…] million	[…***…]%
Greater than $[…***…] million	[…***…]%

To illustrate, if, for example, cumulative annual worldwide Net Sales of Products upon which royalties are due and payable as provided in this Section 6.3 were $[…***…] during any year of the Royalty Term, then absent any adjustments or reductions pursuant to Section 6.3(c), the royalties due would be calculated as follows: ([…***…]) + ([…***…]). For the avoidance of doubt, royalties due under this Section 6.3 shall be payable only once with respect to the same unit of Product, and different formulations (e.g., dosage strengths, delivery forms) of a Compound and Bioequivalents thereof shall be deemed the same Product.

(b) Royalty Term. Royalties due on Net Sales of Products will be payable on a Product-by-Product and country-by-country basis until the later of (a) […***…], (b) […***…], and (c) […***…] years from First Commercial Sale (the ***"Royalty***

Term"). Following the Royalty Term on a Product-by-Product and country-by-country basis, Company's licenses with respect to such Product in such country under Section 2.1 shall continue in effect, but become fully paid-up, royalty-free, perpetual and irrevocable.

(c) Adjustments to Royalties.

(i) Compulsory Licenses. If at any time in any country a Third Party shall, under the right of a compulsory license granted or ordered to be granted by a competent governmental authority in a given country (other than failure of a court to enjoin infringement as a remedy in a patent infringement proceeding), be granted a license, under any Janssen Patent Rights licensed to Company hereunder, to sell in such country, or manufacture for distribution or sale by or on behalf the government in such country, any Product with respect to which royalties are payable pursuant to Section 6.3(a) at a royalty rate that is less than the applicable royalty rate for a given tier of incremental annual Net Sales as provided in Section 6.3(a), and such Product is sold by such Third Party during any calendar quarter during the Royalty Term, then […***…].

(ii) Generic Competition. In the event that one or more Third Parties (other than any Company Sublicensee) markets a product containing or comprising a Compound and the same other active ingredient(s), as applicable, as a Product being Commercialized by Company or Company Sublicensees in a given country (a ***"Generic Product"***), from and after the […***…] in which the […***…] by Company and Company Sublicensees […***…] by Company and Company Sublicensees […***…] Generic Product in such country[…***…] and such […***…] by Company can be […***…] the royalties to be paid by Company on Net Sales of such Product in such country […***…] of the royalties otherwise due to Janssen […***…] with respect to such Product in such country.

(iii) Limitation. In no event will the adjustments under Section 6.3(c)(i) and (ii) taken together reduce the royalties otherwise due to Janssen in any quarter with respect to a Product in a country by more than […***…] percent ([…***…]%).

7. REPORTS AND PAYMENT TERMS

7.1 Payment Terms.

(a) Notice of Milestone Events and Milestone Payments. Written notice of achievement of each milestone event shall be provided as set forth in Section 6.3(a) or (b), as applicable. Payments for achieving milestones shall be made as set forth in Section 6.3(a) or (b), as applicable.

(b) Invoices. Any payment for an amount due to Janssen under this Agreement shall be payable, except as otherwise expressly provided herein, within […***…] days after Company' receipt of an invoice from Janssen for such amount. Each invoice shall specifically refer to this Agreement.

(c) Royalty Reporting and Payments. Within […***…] days after the end of each calendar quarter Company shall submit to Janssen a sales report to the address listed in Section 15.2 setting forth, on a Product-by-Product and country-by-country basis, the gross sales, the deductions taken from gross sales, the Net Sales of Product and a calculation of the amount of royalty payment due on such Net Sales. This report shall also include the exchange rates and other methodology used in converting Net Sales into US dollars, from the currencies in which sales were made in order to determine the appropriate royalty tier and royalty payable. Royalty payments shall made within […***…] days from receipt by Company of an invoice from Janssen for the amount reflected in the sales report under this Section 7.1 (c).

7.2 Remittance. All payments shall be made in immediately available funds by electronic transfer, by Company or an Affiliate on its behalf, to the bank account identified below or such other bank account as Janssen may designate in writing to Company. Any payments due and payable under this Agreement on a date that is not a Business Day may be made on the next Business Day. If, at any time, legal restrictions prevent the prompt remittance of part of or all of the royalties due hereunder with respect to any country where Products are sold, Company shall have the right and option to make such payments by depositing the amount thereof in local currency to Janssen's account in a bank or depository in such country or by using such lawful means or methods as Company may determine.

Name of Bank: […***…]
Bank address: […***…]
[…***…]
[…***…]

Company Name and Address: Janssen Pharmaceutica NV
Turnhoutseweg 30
B2340 Beerse, Belgium

Taxpayer Identification Number: […***…]
SWIFT Code: BIC code: […***…]
Account Number: […***…] / IBAN : […***…]

7.3 Currency. All payments under this Agreement shall be payable in United States dollars. With respect to sales of a Product invoiced in a currency other than US dollars, such amounts and the amounts payable hereunder shall be converted into their US dollars equivalent using an exchange rate equal to the simple monthly period average of the rates of exchange for the currency on the first and last day of each calendar month of the country from which such payments are payable as published by *The Wall Street Journal*, Western U.S. Edition, during the calendar quarter in which the applicable sales were made.

7.4 Taxes.

(a) Company will make all payments to Janssen under this Agreement without deduction or withholding for Taxes except to the extent that any such deduction or withholding is required by Applicable Law in effect at the time of payment.

(b) Any Tax required to be withheld on amounts payable under this Agreement will be paid by Company on behalf of Janssen to the appropriate governmental authority, and Company will furnish Janssen with proof of payment of such Tax. Any such Tax required to be withheld will be an expense of and borne by Janssen and deducted from the amounts otherwise payable under this Agreement. All payments to Janssen under this Agreement are inclusive of VAT, if any.

(c) Company and Janssen will cooperate with respect to all documentation required by any taxing authority or reasonably requested by Company to secure a reduction in the rate of applicable withholding Taxes. On or before the Effective Date, Janssen will deliver to Company an accurate and complete Internal Revenue Service Form W-8BEN-E certifying that Janssen is entitled to the applicable benefits under the Income Tax Treaty between Belgium and the United States.

7.5 Records and Audit Rights.

(a) Maintenance of Records. Each Party shall keep (and, in the case of Company, Company shall cause the Company Sublicensees to keep) complete, true and accurate books and records in accordance with its Accounting Standards in sufficient detail for the other Party to determine the payments due and costs incurred under this Agreement, including with respect to Patent Expenses and royalties. Each Party will keep such books and records for at least […***…] years following the date of the payment to which they pertain.

(b) Audit Right. Upon the written request of Janssen with respect to payments made by Company pursuant to Article 6, not more than […***…] in each calendar year, Company shall permit an independent certified public accounting firm of nationally recognized standing selected by Janssen and reasonably acceptable to Company to have confidential access during normal business hours to such of the records of Company and its applicable Company Sublicensees as may be reasonably necessary to verify the accuracy of the payments made under this Agreement for any period ending not more than […***…] years prior to the date of such request. The accounting firm shall provide each Party a correct and complete copy of the report

summarizing the final results of such audit, which shall be treated as Company's Confidential Information. Janssen shall obligate its accounting firm to keep Company's information confidential, and shall at the request of Company cause Janssen's accounting firm to execute a reasonable confidentiality agreement prior to commencing any such audit.

(c) Audit Fees. The fees charged by such accounting firm shall be paid by Janssen; provided, however, that if the audit uncovers an under- or over-payment in favor of Company exceeding […***…] percent ([…***…]%) of the total amount due in accordance with this Agreement, then the fees of such accounting firm shall be paid by Company. Any underpayments discovered by such audit will be paid promptly by Company within […***…] days of the date that Janssen delivers to Company such accounting firm's written report, or as otherwise agreed upon by the Parties, plus interest calculated in accordance with Section 7.6. For any overpayments discovered by such audit Company shall receive a credit equal to such overpayment against the royalty otherwise payable to Janssen.

7.6 Late Payments. Interest shall be payable by Company on any amounts payable to Janssen under this Agreement which are not paid by the due date for payment. All interest shall accrue and be calculated on a daily basis (both before and after any judgment) at the rate of […***…] percent ([…***…]%) per annum above the then-current prime rate quoted by Citibank in New York City (but in no event in excess of the maximum rate permissible under Applicable Laws), for the period from the due date for payment until the date of actual payment. The payment of such interest shall not limit Janssen from exercising any other rights it may have as a consequence of the lateness of any payment.

8. INTELLECTUAL PROPERTY RIGHTS

8.1 Ownership. Inventorship of all inventions arising in the course of the Development Program and Development Program Patent Rights shall be determined in accordance with inventorship pursuant to U.S. patent laws

8.2 Patent Prosecution.

(a) Janssen Patent Rights.

(i) Prosecution Control. Janssen will have the right to control the Prosecution of the Janssen Patent Rights, using outside patent counsel directed by Janssen, provided that Company shall have the right to review and comment on drafts of substantive patent submissions prior to their filing in Patent Offices. Company shall reimburse Janssen for […***…] percent ([…***…]%) of […***…] incurred by Janssen in the Prosecution of Janssen Patent Rights in the Territory. Janssen shall keep Company regularly and fully informed of the status of Janssen Patent Rights in the Territory and provide copies of all substantive documentation submitted to, or received from, the Patent Offices in connection therewith. After the Effective Date, Janssen shall not, without Company prior written consent, forgo or discontinue Prosecution of any Janssen Patent Right in any country in the Territory prior to obtaining from the Patent Office having jurisdiction in such country allowance or issuance of at

least one claim Covering a Compound being Developed or Commercialized by Company in such country.

(b) Development Program Patent Rights. At all times during the Term (subject to the terms of any definitive agreement entered into by the Parties prior to the end of the Negotiation Period), Company shall have the sole right to Prosecute the Development Program Patent Rights at its own expense.

(c) Protection of Privileged Advice Shared for Common Interest. For the avoidance of doubt, any opinions or other advice of any qualified legal personnel (whether a

patent attorney or other counsel) representing a Party hereunder communicated to the other Party or both Parties, directly by such legal personnel or indirectly such as through a patent liaison for common interest purposes contemplated hereunder (including under Section 8.3), shall be held in strict confidence to protect the privileged nature thereof, and not disclosed to any Third Party without the prior written consent of both Parties, each under the advice of its respective legal counsel.

8.3 Patent Infringement.

(a) Notice. During the Term, each Party will promptly notify the other of (i) any actual or threatened infringement by a Third Party of any Janssen Patent Rights of which it becomes aware, including any certification filed by a Third Party pursuant to 21 U.S.C. §355(b)(2)(A)(iv) or 355(j)(2)(A)(vii)(IV) or any notice under comparable U.S. or foreign law (a ***"Paragraph IV Certification"***), which references the foregoing; or (ii) any actual or threatened challenge to any Janssen Patent Rights by a Third Party (collectively, ***"Third Party Infringement"***). The Parties will consult with each other through each Party's patent attorneys to attempt to agree on a joint program of action in response to any Third Party Infringement.

(b) Action Against Third Parties. If the Parties fail to agree on a joint program of action with respect to Third Party Infringement of any Janssen Patent Rights, subject to this Section 8.3(b), Janssen will have the sole right to bring and control any legal action (including by initiating any lawsuit or other proceeding) as it reasonably determines appropriate in connection with the Third Party Infringement with respect to Janssen Patent Rights, and if the action involves a Third Party's sales of a Product in the Field, Company shall have the right, at its own expense, to be represented in any such action by counsel of its own choice. With respect to any Third Party Infringement with respect to Janssen Patent Rights that involves a Third Party's sales of a Product in the Field, if Janssen fails to bring any legal action with respect to, or to terminate, such Third Party Infringement (i) within […***…] days following the notice of alleged infringement with respect to such Janssen Patent Rights, but in any event no less than […***…] days before the time limit, if any, set forth in the Applicable Laws for the filing of such actions, or (ii) solely with respect to a Paragraph IV Certification involving such Janssen Patent Rights, within the later of […***…] days following Company's receipt of notice thereof and […***…] Business Days before the statutory deadline under Applicable Law, upon written agreement from all Other Licensee(s), not to be unreasonably withheld or delayed, Company shall have the right to bring and control any such action at its own expense and by counsel of its

own choice, and Janssen (and all Other Licensee(s)) shall have the right, at its own expense, to be represented in any such action by counsel of its own choice.

(c) Conduct of Enforcement Action. The Party conducting any such action under this Section 8.3 shall have full control over the conduct of an action under this Section 8.3, including settlement thereof; provided, however, that in no event shall either Party, through any such action, enter into any settlement arrangement or make any admission of invalidity of, or otherwise impair the other Party's rights in any Janssen Patent Rights without the other Party's prior written consent.

(d) Assistance. At the request and expense of the Party controlling a Third Party Infringement action with respect to Janssen Patent Rights, the other Party shall provide reasonable assistance in connection with such Third Party Infringement action, including by executing any required documents, participating in discovery (including producing documentation and providing access to employees or relevant persons), and joining as a party to the action if required. The Party controlling such Third Party Infringement action shall reimburse the reasonable out-of-pocket expenses of the other Party incurred in providing such assistance within […***…] days after receipt of an itemized invoice and supporting documentation therefor.

(e) Allocation of Awards. Unless otherwise agreed to by the Parties as part of any cost-sharing arrangement, any recoveries resulting from an action under this Section 8.3 relating to a claim of Third Party Infringement with respect to Janssen Patent Rights (after payment of costs and expenses relating to such action incurred by each Party) will be […***…]; provided, however, that, if Company brought and controlled such action, […***…].

8.4 Development Program Patent Rights. At all times during the Term (subject to the terms of any definitive agreement entered into by the Parties prior to the end of the Negotiation Period), (a) Company shall have the sole right to sole right to bring and control any legal action (including by initiating any lawsuit or other proceeding) as it reasonably determines appropriate in connection with any actual or threatened infringement by a Third Party of any Development Program Patent Rights of which it becomes aware, including any Paragraph IV Certification which references the foregoing or any actual or threatened challenge to any Development Program Patent Rights by a Third Party, (b) Company shall have full control over the conduct of an action under this Section 8.4, including settlement thereof, and (c) any recoveries resulting from an action under this Section 8.4 will be retained by Company.

8.5 Trademarks. Notwithstanding the provisions of Section 2.1(b), Company and the Company Sublicensees shall have the right to brand, at their discretion, the Products using trademarks and trade names other than the ZARNESTRA Mark selected at their discretion and registered at their discretion in their own names.

8.6 Patent Term Extensions. The Parties agree to cooperate in an effort to avoid loss of any Janssen Patent Rights which may otherwise be available to the Parties hereto under the provisions of the Drug Price Competition and Patent Term Restoration Act of 1984 or comparable U.S. or foreign laws, including by executing any documents as may be reasonably required. In particular, the Parties shall cooperate with each other in obtaining patent term extension or supplemental protection certificates or their equivalents in any country and region where applicable to the relevant Patent Rights. Company acknowledges that nothing herein prohibits Janssen from licensing any Third Party rights under the Janssen IP to any Compound or Products for use outside the Field, and that such a Third Party licensee of Janssen may receive Marketing Authorization for a Product outside the Field in a given country before Company receives Marketing Authorization for a Product in the Field in the same country. If Janssen has not licensed a Third Party rights under the Janssen IP to any Compound or Products for use outside the Field by the time that Company Marketing Authorization for a Product in the Field in a given country, Company shall have the sole right to determine, if applicable, which of the Janssen Patent Rights the Parties will attempt to extend. Janssen shall use reasonable efforts to apply for a Patent Term Extension in such country of a relevant Janssen Patent Right, and Janssen shall thereafter provide all reasonable assistance to Company, including permitting Company to proceed with the application for such Patent Term Extension in the name of Janssen, if so required under Applicable Law.

8.7 Patent Marking; No Endorsement. Any patent markings on any Product made, used or sold by or on behalf of Company or any Company Sublicensee (or when the character of the Product precludes marking, the package containing any such Product) shall be made in accordance with all Applicable Laws relating to patent marking.

9. CONFIDENTIALITY

9.1 Confidentiality Obligation. All Confidential Information disclosed or made available by a Party (directly or through its Affiliates) to the other Party will be maintained in confidence and otherwise safeguarded by the recipient Party. The recipient Party may only use the Confidential Information of the other Party and its Affiliates for the purposes expressly permitted by this Agreement. Each Party shall hold as confidential such Confidential Information of the other Party and its Affiliates in the same manner and with the same protection as such recipient Party maintains its own confidential information, but no less than a reasonable standard of care. A recipient Party may only disclose Confidential Information of the other Party and its Affiliates to employees, agents, contractors, consultants and advisers of the recipient Party and its Affiliates, licensees (including Other Licensees in the case of disclosure of Janssen Know-How by Janssen to Other Licensees) and sublicensees and to Third Parties to the extent reasonably necessary for the purposes of, and for those matters undertaken pursuant to, this Agreement; provided that such persons and entities are bound to maintain the confidentiality of the Confidential Information in a manner consistent with the confidentiality provisions of this Agreement. The Janssen Know-How shall be considered Confidential Information of both Parties during the Term of this Agreement, and each Party shall be considered a disclosing Party and a recipient Party with respect thereto.

9.2 Exceptions. The obligations under Section 9.1 shall not apply to any information within the Confidential Information to the extent the recipient Party can demonstrate by competent evidence that such information (provided that clauses (b), (c) and (d) shall not apply to Janssen as a recipient Party with respect to Janssen Know-How):

(a) is (at the time of disclosure) or becomes (after the time of disclosure) known to the public or part of the public domain through no breach of this Agreement by the recipient Party or its Affiliates;

(b) was known to, or was otherwise in the possession of, the recipient Party or its Affiliates prior to the time of disclosure by the disclosing Party;

(c) is disclosed to the recipient Party or any of its Affiliates on a non-confidential basis by a Third Party who is entitled to disclose it without breaching any confidentiality obligation to the disclosing Party or any of its Affiliates; or

(d) is independently developed by or on behalf of the recipient Party or its Affiliates, as evidenced by its written records, without reference to the Confidential Information disclosed by the disclosing Party or its Affiliates under this Agreement.

9.3 Authorized Disclosures.

(a) Authorized Disclosures. In addition to disclosures allowed under Section 9.1, a Party may disclose information within the Confidential Information of the other Party and its Affiliates to the extent such disclosure is necessary in the following instances: (i) for Prosecuting Patent Rights as permitted by this Agreement; (ii) for making regulatory filings for Products the recipient Party has a license or right to develop hereunder; (iii) for prosecuting or defending litigation as permitted by this Agreement; (iv) for complying with applicable court orders or governmental regulations; (v) in the case of Janssen, for disclosing in confidence to Third Parties to the extent required to comply with Existing Third Party Agreements; and (vi) for disclosing in confidence to actual or bona-fide potential Third Party investors or other Third Party transactional partners and to their bankers, lawyers, accountants, agents, provided, in each case that each such Third Party investor or other transactional partner or advisor thereof is bound to maintain the confidentiality of the Confidential Information in a manner consistent with the confidentiality provisions of this Agreement.

(b) Notification of Patent Filings. In the event a recipient Party or any of its Affiliates discloses to a Patent Office any Confidential Information of the other Party in connection with the Prosecution of any Patent Rights as permitted by this Agreement, the recipient Party shall notify the other Party of such disclosure, and, if requested, provide a copy of such disclosure as filed (which shall, to the extent it includes non-redacted information in addition to the Confidential Information of the other Party, be considered the recipient Party’s Confidential Information).

(c) Disclosure Required by Applicable Laws.

(i) In the event the recipient Party is required to disclose Confidential Information of the other Party by Applicable Laws, including to comply with any order of any court or governmental or regulatory authority, such disclosure shall not be a breach of this Agreement; provided that the recipient Party (i) informs the other Party as soon as reasonably practicable of the required disclosure, (ii) limits the disclosure to that reasonably required for the legal purpose and seeks protective treatment as available under Applicable Laws, and (iii) at the other Party's request and expense, reasonably assists in its attempt to intervene to directly limit or protect the disclosure of its Confidential Information.

(ii) In the event a Party seeks to make a disclosure of this Agreement or any terms hereof to a government or regulatory authority as required by United States SEC regulations or other Applicable Laws applying to securities or by the rules of any recognized stock exchange or quotation system, the other Party shall reasonably cooperate with respect to the timing, form and content of such required disclosure to the extent practicable under the circumstances, and, if so requested by it, the Party subject to such disclosure obligation shall use commercially reasonable efforts to obtain an order protecting to the maximum extent possible the confidentiality of such provisions of this Agreement as reasonably requested by the other Party. If the other Party does not provide consent as to the form or content of the required disclosure, such disclosure shall be limited to the minimum required, as reasonably determined by the disclosing Party in consultation with its legal counsel.

(d) Required Publication Regarding Clinical Trials. Regardless of any obligation of confidentiality hereunder, a Party may publish information regarding any of its clinical trials of Products in accordance with its policy regarding public disclosure of such information consistently applied, and shall register information relating to clinical studies of Products as required by applicable law (e.g., with www.clinicaltrials.gov when required by United States law).

9.4 Duration of Obligations. The obligations with respect to maintaining the confidentiality of and restrictions on use of Confidential Information shall apply during the Term of this Agreement and continue for a period running […***…] years thereafter.

10. PUBLICATIONS AND PUBLICITY

10.1 Scientific Publications. Company may make oral or written publications (such as any abstracts, manuscripts, posters, slide presentations or other materials) of any activities or results relating to the Development Program without the written consent of Janssen, except as expressly provided in this Section 10.1. Prior to expiration of the ROFN Term or, if the ROFN has been exercised during the ROFN Term, expiration of the Negotiation Period, Company may make oral or written publications (such as any abstracts, manuscripts, posters, slide presentations or other materials) of any activities or results relating to the Development Program in accordance with the procedures in this Section 10.1. Janssen shall have the right to review and comment on a draft of any such material proposed for publication by Company, including for purposes of ensuring that none of its Confidential Information is disclosed without its permission. Company

shall deliver a complete draft to Janssen at least […***…] days prior to submitting the material to a publisher or initiating any other release. Janssen shall review any such material and give its comments Company within […***…] days of the delivery of such draft to Janssen. Company shall comply with Janssen's request to: delete from any such proposed publication material prior to its submission or release any references to Janssen and/or any of its Confidential Information; and/or delay any submission or release for a period of up to an additional […***…] days to permit Company to prepare and file, or have prepared and filed, any patent applications for any Development Program Inventions as contemplated hereunder. For the avoidance of doubt, this Section 10.1 shall not apply to public disclosures required by Applicable Laws or the rules of any recognized stock exchange or quotation system as applicable, which are governed by Section 9.3(c)(ii) above.

10.2 Publicity. Janssen hereby consents to Company's issuance of the press release attached hereto as Exhibit 8 after execution of this Agreement. No other press release,

announcement, or other public statement, whether oral or written, disclosing the existence of this Agreement, any terms hereof, or any information relating to this Agreement or performance hereunder shall be made, either directly or indirectly, by a Party without the prior written consent of the other Party, except as may be legally required by Applicable Laws or judicial order, without first obtaining the consent of the other Party as to the nature, text, and timing of such announcement, which consent shall not be unreasonably withheld. A Party desiring to make any such public announcement shall provide the other Party with a draft thereof at least […***…] Business Days prior to the date on which such Party would like to make the public announcement. For the avoidance of doubt, this Section 10.2 shall not prohibit either Party from making any public statement as required to comply with any duty of disclosure it may have pursuant to Applicable Laws or the applicable rules of any recognized stock exchange or quotation system as applicable. A Party may reissue a press release or public announcement or make such other public statement if the contents of such press release, public announcement or public statement have previously been made public other than through a breach of this Agreement by the issuing Party or its Affiliates.

10.3 Use of Names. Nothing contained in this Agreement will be construed as conferring any right to a Party to use in advertising, publicity or other promotional activities any name, trade name, trademark or other designation of the other Party or any of its Affiliates (including a contraction, abbreviation or simulation of any of the foregoing).

11. REPRESENTATIONS, WARRANTIES AND COVENANTS; DISCLAIMERS

11.1 Representations and Warranties by Each Party. Each Party represents and warrants to the other Party as of the Execution Date that:

(a) it is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation;

(b) it has full corporate power and authority to execute, deliver, and perform this Agreement, and has taken all corporate action required by law and its organizational

documents to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement;

(c) this Agreement constitutes a valid and binding agreement enforceable against it in accordance with its terms (except as the enforceability thereof may be limited by bankruptcy, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and may be subject to general principles of equity whether or not such enforceability is considered in a proceeding at law or in equity); and

(d) the execution and delivery of this Agreement and all other instruments and documents required to be executed pursuant to this Agreement, and the consummation of the transactions contemplated hereby do not and shall not (i) conflict with or result in a breach of any provision of its organizational documents, (ii) result in a breach of any agreement to which it is a party; or (iii) to its knowledge, violate any Applicable Laws.

11.2 Additional Representations and Warranties by Janssen. Janssen represents and warrants to Company as of the Effective Date that:

(a) Exhibit 2(A) lists all Patent Rights existing as of the Effective Date that are owned by Janssen or any of its Affiliates and include any claim Covering any Compounds or their manufacture or use, or any Product in clinical development as of the Effective Date or its formulation or use; Exhibit 2(B) lists all sublicensable Patent Rights that are licensed by Janssen or any of its Affiliates and include any claim Covering any Compounds or their manufacture or use, or any Product in clinical development as of the Execution Date or its formulation or use; and to the knowledge of Janssen, neither Janssen nor any of Affiliates owns or otherwise controls any Patent Rights necessary or reasonably useful to Develop, Manufacture, use, import, offer for sale, sell, or otherwise Commercialize any Compound or Product as formulated by Janssen for its clinical trials in the Field in the Territory other than those listed on Exhibit 2(A) and Exhibit 2(B);

(b) Janssen or an Affiliate thereof is the sole and exclusive owner of the Patent Rights listed in Exhibit 2(A), and is listed (or is in the process of becoming listed) in the records of the appropriate United States and/or foreign governmental agencies as the sole and exclusive owner of record or exclusive licensee for each registration, grant and application included in such Patent Rights, except as otherwise noted therein;

(c) to the knowledge of Janssen, the Janssen Know-How contained in the records listed in Exhibit 3, which will be updated within […***…] days of the Effective Date, includes all Know-How in Janssen's or its Affiliates' possession and Control as of the Effective Date that is necessary or reasonably useful to Develop, Manufacture, use, import, offer for sale, sell, or otherwise Commercialize any Compound or Product in the Field in the Territory;

(d) to the knowledge of Janssen, the records listed in Exhibit 5 includes all Existing Third Party Agreements material to the Development or Commercialization of any Compound in the Field in the Territory;

(e) Janssen has the right to grant to Company the license under the Janssen Patent Rights and Janssen TM Rights in accordance with Section 2.1(a) and (b) and the right to obtain a sublicense under the […***…] License in accordance with Section 2.1(c);

(f) Janssen has provided to Company true and complete copies of the […***…] License as in effect on the Effective Date (excluding the financial terms), the […***…] License is in full force and effect, and Janssen has complied with all terms of the […***…] License material to this Agreement;

(g) to the knowledge of Janssen, Janssen has the right to use and disclose and to enable Company to use and disclose (in each case under appropriate conditions of confidentiality) the Janssen Know-How;

(h) to the knowledge of Janssen and except to the extent not yet due, all necessary and material application, registration, maintenance and renewal fees in respect of the

pending or extant Janssen Patent Rights listed in Exhibit 2(A) and Exhibit 2(B) in existence as of the Effective Date have been paid and, except to the extent not yet due, all necessary documents and certificates have been filed with the relevant Patent Offices for the purpose of maintaining such Janssen Patent Rights;

(i) to the knowledge of Janssen, there are no claims, judgments or settlements against Janssen relating to the Janssen Patent Rights listed in Exhibit 2(A) and Exhibit 2(B);

(j) to the knowledge of Janssen, there is no actual infringement of any Janssen Patent Rights by any Third Party; and

(k) Janssen or an Affiliate thereof is the sole and exclusive owner of the Trademark Rights listed in Exhibit 4.

11.3 Covenants.

(a) No Conflict. Janssen shall not grant any right or enter into any agreement with any Third Party that would conflict with any of Company's rights or Janssen's obligations under this Agreement or amend any Existing Third Party Agreement or the […***…] License in a manner that would conflict with any of Company's rights or Janssen's obligations under this Agreement. Company shall not grant any right or enter into any agreement with any Third Party that would conflict with any of Janssen's rights or Company' obligations under this Agreement.

(b) Intellectual Property Ownership and Confidentiality. Each Party shall require that all of its and its Affiliates' employees, consultants, contractors and agents involved in the Development, Manufacture or Commercialization of Compounds or Products have entered into written confidentiality and invention assignment agreements that are consistent with the terms of this Agreement and pursuant to which they assign any rights they may have in any inventions relating to Compounds or Products made during such work to such Party; provided, however, that such invention assignment requirement shall not apply with respect to a contractor or consultant that is a university or other non-profit research institution or academic collaborator

if a non-exclusive license (with or without any right to obtain an exclusive license), with right to grant sublicenses, to any such inventions relating to Compounds or Products made during work performed by such contractor or consultant and to corresponding Patent Rights thereon is granted to such Party so as to preserve each Party's ability to exercise its rights as provided hereunder without any payment obligation to any such contractor or consultant.

(c) Compliance with Law. Each Party shall perform its obligations under this Agreement in accordance with all Applicable Laws, including FCPA. No Party shall, or shall be required to, undertake any activity under or in connection with this Agreement which violates, or which it believes, in good faith, may violate, any Applicable Laws. Without limiting the foregoing, each Party agrees that it shall, and shall cause its Affiliates and sublicensees to, (a) comply with all applicable international, national, state regional and local laws and regulations, including FCPA, in performing its obligations and/or exercising its rights hereunder, including with respect to any use, manufacture, sale or import of Products, (b) observe all applicable United States and foreign laws with respect to the transfer of Products and related

technical data to countries other than the United States, including all Export Control Laws, and (c) manufacture Products in compliance with applicable government importation laws and regulations of a particular country for Products made outside the particular country in which such Products are used, sold or otherwise exploited. In furtherance of the foregoing, each Party and its subcontractors and sublicensees shall conduct their activities hereunder in accordance with the guidelines set forth in Exhibit 7 (Compliance with Laws and the FCPA).

11.4 Debarment. Company shall not use in conducting any applicable Development activities with respect to Compounds or Products under this Agreement any person who has been:

(a) debarred, or proposed to be debarred under Section 306(a) or 306(b) of the United States Federal Food, Drug and Cosmetic Act, as amended from time to time, and the rules, regulations and guidelines promulgated thereunder, or under 42 U.S.C. Section 1320-7;

(b) sanctioned by, suspended, debarred, excluded or otherwise ineligible to participate in any federal or state health care program, including Medicare and Medicaid or in any federal procurement or non-procurement programs; or

(c) charged with or convicted of any felony or misdemeanor under 42 U.S.C. Section 1320a-7(a) or 42 U.S.C. Section 1320a-7(b)(1)-(3), or otherwise proposed for exclusion.

Company will promptly inform Janssen, but in no event later than […***…] Business Days, if Company becomes aware that its or any of its Affiliates or sublicensees or subcontractors, or any employee of Company or any of its Affiliates or sublicensees or subcontractors, in each case performing any Development activities under this Agreement or in support of the Marketing Authorizations, is not in compliance with any of the criteria set forth in this Section 11.4 on or after the Effective Date.

11.5 Limitations. Notwithstanding anything contained in this Agreement, Janssen gives no warranty and makes no representation that any patent application within the Janssen

Patent Rights shall proceed to grant or that any patent within the Janssen Patent Rights will be valid and enforceable. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF NON-INFRINGEMENT OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, THAT ANY OF THE DEVELOPMENT AND/OR COMMERCIALIZATION EFFORTS WITH REGARD TO ANY COMPOUND OR PRODUCT WILL BE SUCCESSFUL.

12. INDEMNIFICATION; INSURANCE

12.1 Indemnification by Company. Company shall, and shall require the Company Sublicensees to, indemnify and hold harmless Janssen and its Affiliates, and their respective officers, directors, employees, contractors, agents and assigns (each, a ***"Janssen Indemnified Party"***), from and against any losses, damages and liability, including reasonable legal expense and attorneys' fees (collectively, ***"Indemnified Losses"***), incurred by any Janssen Indemnified Party as a result of any Third Party demands, claims or actions, including product liability claims (collectively, ***"Claims"***) against any Janssen Indemnified Party arising or resulting from: (a) the negligence or willful misconduct of Company in performing Company' obligations or exercising Company' rights under this Agreement; (b) the breach of any of the covenants, warranties and representations made by Company to Janssen under this Agreement; (c) Development Program activities conducted by or on behalf of Company; or (d) the Development, Manufacture, use, sale, offer for sale, other Commercialization or importation of any Compounds or Products in the Field in the Territory by Company or any of its Affiliates or Company Sublicensees. Notwithstanding the foregoing, Company shall not be responsible for the indemnification of any Janssen Indemnified Party to the extent that the Indemnified Losses of such Janssen Indemnified Party were caused by: (i) the negligence or willful misconduct of such Janssen Indemnified Party; (ii) any breach by Janssen of its covenants, obligations, warranties or representations pursuant to this Agreement; or (iii) any practice of Janssen IP or Janssen TM Rights pursuant to rights reserved to Janssen.

12.2 Indemnification by Janssen. Janssen shall indemnify and hold harmless Company and its Affiliates, and their respective officers, directors, employees, contractors, agents and assigns (each, an ***"Company Indemnified Party"***), from and against Indemnified Losses incurred by any Company Indemnified Party as a result of any Claims against any Company Indemnified Party arising or resulting from: (a) the research, Development, Manufacture, use, sale, offer for sale, other commercialization or importation of any Compounds and/or Products by or on behalf of Janssen or any of its Affiliates, licensees or sublicensees (other than Company); (b) the negligence or willful misconduct of Janssen in performing Janssen's obligations or exercising Janssen's rights under this Agreement; or (c) the breach of any of the covenants, warranties and representations made by Janssen to Company under this Agreement. Notwithstanding the foregoing, Janssen shall not be responsible for the indemnification of any Company Indemnified Party to the extent that the Indemnified Losses of such Company Indemnified Party were caused by: (i) the negligence or willful misconduct of such Company Indemnified Party; or (ii) any breach by Company of its covenants, obligations, warranties or representations pursuant to this Agreement.

12.3 Indemnification Procedure.

(a) Notification. Any Janssen Indemnified Party or Company Indemnified Party seeking indemnification hereunder (***"Indemnified Party"***) shall notify the Party against whom indemnification is sought (***"Indemnifying Party"***) in writing reasonably promptly after the assertion against the Indemnified Party of any Claim in respect of which the Indemnified Party intends to base a claim for indemnification hereunder, but the failure or delay so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any obligation or liability that it may have to the Indemnified Party, except to the extent that the Indemnifying Party demonstrates that its ability to defend or resolve such Claim is adversely affected thereby.

(b) Indemnifying Party Right to Handle Claims. Subject to the provisions of Section 12.3(d) and (e) below, the Indemnifying Party shall have the right, upon written notice given to the Indemnified Party within […***…] days after receipt of the notice from the Indemnified Party of any Claim, to assume the defense and handling of such Claim at the Indemnifying Party's sole expense, in which case the provisions of Section 12.3(c) below shall govern.

(c) Indemnifying Party Handling of Claims. The Indemnifying Party shall select counsel reasonably acceptable to the Indemnified Party in connection with conducting the defense and handling of such Claim, and the Indemnifying Party shall defend or handle the same in consultation with the Indemnified Party, and shall keep the Indemnified Party timely apprised of the status of such Claim. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, agree to a settlement of any Claim which could lead to liability or create any financial or other obligation on the part of the Indemnified Party for which the Indemnified Party is not entitled to indemnification hereunder, or would involve any admission of wrongdoing on the part of the Indemnified Party. The Indemnified Party shall cooperate with the Indemnifying Party, at the request and expense of the Indemnifying Party, and shall be entitled to participate in the defense and handling of such Claim with its own counsel and at its own expense. Notwithstanding the foregoing, in the event the Indemnifying Party fails to conduct the defense and handling of any Claim in good faith after having assumed such, then the provisions of Section 12.3(e) below shall govern.

(d) Right of Indemnified Party to Assume Handling of Claims. If the Indemnifying Party does not give written notice to the Indemnified Party, within […***…] days after receipt of the notice from the Indemnified Party of any Claim, of the Indemnifying Party's election to assume the defense and handling of such Third Party Claim, the provisions of Section 12.3(e) below shall govern.

(e) Indemnified Party Handling of Claims. Unless Section 12.3(c) applies, the Indemnified Party may, at the Indemnifying Party's expense, select counsel reasonably acceptable to the Indemnifying Party in connection with conducting the defense and handling of such Claim and defend or handle such Claim in such manner as it may deem appropriate,

provided, however, that the Indemnified Party shall keep the Indemnifying Party timely apprised of the status of such Claim and shall not settle such Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. If the Indemnified Party defends or handles such Claim, the Indemnifying Party shall cooperate with the Indemnified Party, at the Indemnified Party's request but at no expense to the Indemnified Party, and shall be entitled to participate in the defense and handling of such Claim with its own counsel and at its own expense.

12.4 Insurance. Each Party, at its own expense, shall maintain liability insurance in an amount consistent with industry standards during the Term, but in no event shall such insurance be in an amount less than […***…] dollars ($[…***…]) per occurrence/annual aggregate during the Term. In addition, during the term of Commercialization of any Product and for a period of at least […***…] years thereafter, Company shall maintain product liability insurance in an amount not less than […***…] dollars ($[…***…]) per occurrence and annual aggregate. A Party responsible for the conduct any clinical studies hereunder shall maintain clinical trial insurance in compliance with all Applicable Law pertaining to the

jurisdictions in which such clinical studies are conducted. Each Party shall provide a certificate of insurance evidencing such coverage to the other Party upon its written request. Each Party shall notify the other […***…] days in advance of cancelation of any such insurance.

12.5 Materials Provided As Is. Subject to Section 4.6(b), Company acknowledges that compounds, reagents, and other materials supplied by Janssen hereunder are experimental in nature and provided as is, without any warranties as to merchantability or fitness for a particular purpose. Company further acknowledges that all of such materials' properties or characteristics are not known, and agrees that it shall use such materials with reasonable care and shall assume responsibility for any losses or injuries incurred by it or its Affiliates or subcontractors or sublicensees through use of such materials.

13. TERM AND TERMINATION

13.1 Term. The term of this Agreement (the ***"Term"***) will commence on the Effective Date and, subject to earlier termination in accordance herewith, shall expire on the last to occur of: (a) the expiry of the last-to-expire patent term, or conclusion of Prosecution of the last-to-be-Prosecuted, of the Janssen Patent Rights; or (b) the expiration of the last-to-expire Royalty Term.

13.2 Termination for Cause by Either Party.

(a) By Janssen for Company's Lack of Diligence. In the event that Company fails to use Commercially Reasonable Efforts to Develop and Commercialize […***…] with respect to any […***…] as described in Sections 4.1 and 5.1, then (without limiting Janssen's right to seek termination of the entire Agreement pursuant to Section 13.2(b) below if such breach by Company is material to the Agreement in its entirety) Janssen may terminate Company's license rights under this Agreement with respect to such […***…] upon written notice to Company, provided that Company will have a period of three (3) months following receipt of such notice to demonstrate to Jansen's reasonable satisfaction that Company has not failed to use Commercially Reasonable Efforts in accordance

with Section 4.1 or 5.1. Notwithstanding anything to the contrary in this Agreement, Company' and the Company Sublicensees' collective efforts and resources expended toward Developing and Commercializing any Products throughout the Territory shall be considered in determining whether Company has met its diligence obligations under Sections 4.1 and 5.1 with respect to any particular […***…].

(b) By Either Party for the Other Party's Material Breach. If either Janssen or Company (in such capacity, the ***"Breaching Party"***) is in material breach of this Agreement (excluding any breach described in Section 13.2(a), in which case such provision shall govern), the other Party (in such capacity, the ***"Non-Breaching Party"***) may give written notice to the Breaching Party specifying the claimed particulars of such breach, and in such event, if the breach is not cured within forty-five (45) days after such notice ([…***…] days in the event of failure to make any payment when due), the Non-Breaching Party shall have the right thereafter to terminate this Agreement by giving written notice to the Breaching Party to such effect, provided, however that if such breach (other than failure to make any payment when due) is capable of being cured but cannot be cured within such […***…] day period and the

Breaching Party initiates actions to cure such breach within such period and thereafter diligently pursues such actions, the Breaching Party shall have an additional […***…] days to cure such breach.

(c) Suspension of Time Periods for Curing Breach. From the date of initiation of any measures under Section 15.6 to resolve a Dispute pertaining to an alleged breach under Section 13.2(a) or (b) and until such time as such Dispute has been finally resolved under Section 15.6, the running of the time periods under this Section 13.2 as to which a Party must cure a breach of this Agreement shall be suspended as to the subject matter of the Dispute.

(d) By Either Party for the Other Party's Bankruptcy. In the event of the Bankruptcy of a Party (or its successor in interest in the event this Agreement is assigned as permitted hereunder), the other Party may terminate this Agreement by notice to the bankrupt Party.

13.3 Termination Without Cause by Company. Company may terminate this Agreement upon one hundred eighty (180) days' prior written notice to Janssen.

14. EFFECT OF TERMINATION

14.1 Effect of Termination of Rights in Particular Country. Upon any early termination with respect to any […***…] under Section 13.2(a), any licenses and sublicenses granted by Janssen to Company with respect to such […***…] will terminate and revert to Janssen, and the Territory shall be redefined to exclude such […***…] from the scope of the Territory, and the terms of Section 14.2 below shall apply *mutatis mutandi* with respect to such […***…].

14.2 Effect of Termination by Janssen under Section 13.2(b) or by Company under Section 13.3. Upon any early termination of this Agreement in its entirety by Janssen pursuant to 13.2(b) or by Company pursuant to Section 13.3:

(a) The licenses and sublicenses granted by Janssen to Company will terminate and revert to Company (except any license in any country that has become perpetual and irrevocable as provided in Section 6.3(b)).

(b) If Company has initiated clinical development of, or obtained Marketing Authorization for, any Compounds or Products or Commercialized any Products (each a ***"Reverted Product"***), Company shall promptly provide to Janssen a summary of the status of the Development and Commercialization of any such Reverted Products up to such termination and: (i) Janssen shall have, and Company hereby grants to Janssen, a paid-up, exclusive option, during the […***…]-year period running from termination of this Agreement, to elect to develop and commercialize any such Reverted Products; and (ii) during such option period, prior to notice of Janssen's election decision or upon Company's reasonable request, Janssen shall permit Company to undertake activities to wind down in a commercially reasonable manner any ongoing development or commercialization activities with respect to each such Product for which Company's license rights under this Agreement have been terminated (subject to

Company' obligation under Section 6.3 to pay any royalties that may accrue during such wind-down period on account of Net Sales of such Reverted Products from the supply on hand as of the termination). Promptly after Company' receipt of a notice within the […***…]-year option exercise period of Janssen's election to take over development and commercialization of such a Reverted Product, the Parties shall negotiate in good faith and enter into a written confirmatory agreement under which: (x) Company shall grant Janssen a worldwide, exclusive, sublicenseable right and license to develop and commercialize such Reverted Product under the Company Patent Rights (if any) and applicable Development Program Know-How (including data submitted to Regulatory Authorities) Controlled by Company (directly or through its Affiliates or sublicensees), subject to the rights under any sublicense granted to a Company Sublicensee that survives termination as provided in Section 2.4; and (y) Janssen shall pay Company a royalty on Net Sales of such Reverted Product at a rate of […***…], with provisions parallel to those set forth in Sections 6.3 and 7 hereof applicable *mutatis mutandi* to Janssen's royalty payments. Moreover, if Janssen reasonably requests in the notice of its exercise of such option rights under this Section that Company also grant Janssen rights to trademarks Controlled by Company that are directly associated with the Reverted Product, or to any valuable core or platform technology utilized by Company to manufacture or commercialize the Product that is Covered by Patent Rights Controlled by Company, the confirmatory agreement shall specify the terms (including any agreed-upon transfer cost payments from Janssen to Company) under which Company would transfer to such requested rights in trademarks associated with the Reverted Product and/or licenses under such Patent Rights (solely to the extent necessary for the development and/or commercialization of the Reverted Product), which terms will be commercially reasonable and fair considering the particular reason for termination. For clarification, any license granted to Janssen as described in this Section 14.2(b) will include the right to use clinical and regulatory data and information generated by Company for regulatory purposes relating to the Reverted Products. In connection with any exclusive license to Reverted Products granted under this Section 14.1(b), Company shall transfer and assign to Janssen all of its right, title and interest in and to all U.S. and foreign Marketing Authorizations with respect to

the Reverted Products and all drug master files and drug dossiers with respect to the Reverted Products (other than those related to manufacturing facilities).

(c) Company or Company Sublicensees shall continue, to the extent that Company or Company Sublicensees continue to have stocks of usable Reverted Products, to fulfill orders received for Products in the Territory until […***…] months following the date of termination. For Reverted Products sold by Company or Company Sublicensees after the effective date of a termination, Company shall continue to pay royalties pursuant to Section 6.3. Prior to the end of such […***…] month period, Company shall provide Janssen written notice of an estimate of the quantity of Reverted Products and shelf life remaining in the inventory of Company or Company Sublicensees and Janssen shall have the right, upon its election to take an exclusive license to Reverted Products under Section 14.2(b), to purchase any such quantities of Reverted Products from Company and Company Sublicensees at a price mutually agreed by the Parties. In addition, Company shall use commercially reasonable efforts to transition to Janssen upon Janssen's request any arrangement with any contractor from which Company had arranged to obtain supplies of Reverted Products (or the Compounds therein), to the extent permitted under any such agreement with such contractor. In the event that Reverted Products are manufactured by Company or its Affiliate, then, upon request by Janssen, Company shall continue to provide Janssen with such materials at a price to be agreed by the Parties for not longer than […***…] months.

(d) In the event that Company has any Development activities with regard to any Reverted Products ongoing, the Parties shall negotiate in good faith and adopt a plan to wind-down the development activities in an orderly fashion or, at Janssen's election of exclusive license rights pursuant to Section 14.2(b), promptly transition such Development activities for any Reverted Products to Janssen or its designee, with due regard for patient safety and the rights of any subjects that are participants in any clinical trials of any Reverted Product and take any actions it deems reasonably necessary or appropriate to avoid any human health or safety problems and in compliance with all Applicable Laws.

(e) The provisions of this Section 14.2 shall survive such termination for so long as Janssen or any of its Affiliates, licensees or sublicensees Develops or Commercializes any Reverted Product hereunder.

(f) Except as provided in this Section 14.2, Company will immediately cease to use, distribute, or market the Reverted Products.

(g) Upon Janssen's request, Company will promptly return, or at Janssen's option, destroy, any Janssen Know-How or any materials containing the Janssen Know-How or any Confidential Information of Janssen in Company' possession, except for one archival copy to safekeep for legal purposes and such records as may be required to be retained by Company by Applicable Laws, all of which shall continue to be subject to the confidentiality and non-use obligations in Article 9.

14.3 Effect of Termination by Company under Section 13.2. Upon termination of this Agreement by Company pursuant to Section 13.2:

(a) The licenses and sublicenses granted by Janssen to Company will terminate and revert to Janssen (except any license in any country that has become perpetual and irrevocable as provided in Section 6.3(b).

(b) Company or Company Sublicensees shall continue, to the extent that Company or Company Sublicensees continue to have stocks of usable Reverted Products, to fulfill orders received for Reverted Products in the Field until […***…] months following the date of termination. For Products sold by Company or Company Sublicensees after the effective date of a termination, Company shall continue to pay royalties pursuant to Section 6.3. Except as provided in this Section 14.2(b), Company will cease to use, distribute, or market the Products.

(c) Following the period set forth in Section 14.2(b), each Party will promptly return, or at the other Party's option, destroy any Know-How of such other Party or any materials containing such Know-How or any Confidential Information of such other Party in its or its Affiliates' possession, except for one archival copy to safekeep for legal purposes and such records as may be required to be retained by such Party by Applicable Laws, all of which shall continue to be subject to the confidentiality and non-use obligations in Article 9.

14.4 Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation (including any payment obligations in Article 6) accruing prior to such expiration or termination, nor affect in any way the survival of any other right, duty or obligation of the Parties which is expressly stated elsewhere in this Agreement to survive such termination or expiry. Without limiting the foregoing, the provisions of Articles 1, 9, 14 (including the additional sections referenced therein) and 15 and Sections 7.5, 8.1, 10.2, 10.3, 11.5, 12.1, 12.2, 12.3 and 12.5, and any other provisions that should survive as apparent from the express terms thereof in the context of this Agreement, shall survive expiration or termination of this Agreement.

14.5 Exercise of Right to Terminate. The exercise by either Party of an early termination right provided for under Article 14 shall not give rise to the payment of damages or any other form of compensation or relief to the other Party on account of such exercise.

14.6 Damages; Relief. Subject to Section 14.5, early termination of this Agreement under Article 14 shall not preclude either Party from claiming any other damages, compensation or relief that it may be entitled to upon such termination.

14.7 Rights in Bankruptcy. All rights and licenses and sublicenses granted under or pursuant to this Agreement by a Party to the other are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code (or comparable provisions of laws of other jurisdictions), licenses of right to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code (or comparable provisions of laws of other jurisdictions). The Parties agree that the Parties, as licensees of such rights under this Agreement, will retain and may fully exercise all of their rights and elections under the U.S. Bankruptcy Code (and comparable laws of other jurisdictions). The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against either Party under the U.S. Bankruptcy Code (and comparable laws of other jurisdictions), the Party that is not a party to such proceeding will be

entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, and same, if not already in their possession, will be promptly delivered to them (a) upon any such commencement of a bankruptcy proceeding upon their written request therefor, unless the Party subject to such proceeding elects to continue to perform all of its obligations under this Agreement, or (b) if not delivered under subsection (a) above, following the rejection of this Agreement by or on behalf of the Party subject to such proceeding upon written request therefor by the non-subject Party. All rights, powers and remedies granted hereunder to a Party as a licensee of any intellectual property rights as provided in this Section 14.7 are in addition to and not in substitution for any and all other rights, powers and remedies now or hereafter existing at law or in equity, in the event of the commencement of a Bankruptcy case by or against the granting Party under Applicable Law, and the licensee Party, in addition to the rights, powers and remedies expressly provided herein, shall be entitled to exercise all other such rights and powers and resort to all other such remedies as may now or hereafter exist at law or in equity in such event.

15. GENERAL PROVISIONS

15.1 Assignment. Neither Party may assign its rights and obligations under this Agreement without the other Party's prior written consent, except that (a) either Party may assign its rights and obligations under this Agreement or any part hereof to one or more of its Affiliates without the consent of any other Party, provided that the Party assigning to an Affiliate any part of this Agreement shall remain liable and responsible to the non-assigning Party for the performance and observance of all such duties and obligations by such Affiliate; and (b) either Party may assign this Agreement in its entirety to a successor to all or substantially all of its business relating to Compounds and Products, whether by merger, sale of stock, sale of assets or otherwise, provided that in the event of a transaction (whether this Agreement is actually assigned or is assumed by the acquiror by operation of law (e.g., in the context of a reverse triangular merger)), intellectual property rights of the acquiror to such transaction (if other than one of the Parties to this Agreement) existing before such transaction, or arising after such transaction through activities conducted in good faith separately and independently by such acquiror or its Affiliates and without use of any Confidential Information of the acquired Party, as can be demonstrated by adequate evidence, shall not become subject to this Agreement. The assigning Party shall provide the other Party with prompt written notice of any such assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Any attempted assignment in contravention of the foregoing shall be void.

15.2 Performance by Affiliates; Company Performance by Subcontractor. Subject to the terms and conditions of this Agreement, any obligation of a Party under or pursuant to this Agreement may be satisfied, met or fulfilled, in whole or in part, either by such Party directly or by any Affiliate of such Party that such Party causes to satisfy, meet or fulfill such obligation, in whole or in part. Each Party shall remain liable for the performance of all actions, agreements and obligations to be performed by any Affiliates of such Party under the terms and conditions of this Agreement. Company has engaged Wellspring Biosciences LLC to perform certain Development services for and on behalf of Company pursuant to a Services Agreement dated October 1, 2014, as may be amended in accordance with its terms, and

Company shall remain liable for the performance of all actions, agreements and obligations to be performed by Wellspring by or on behalf of Company under the terms and conditions of this Agreement.

15.3 Severability. Should one or more of the provisions of this Agreement become void or unenforceable as a matter of law, then this Agreement shall be construed as if such provision were not contained herein and the remainder of this Agreement shall be in full force and effect, and the Parties will use their commercially reasonable efforts to substitute for the invalid or unenforceable provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties.

15.4 Special, Indirect and Other Losses. IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR FOR ANY ECONOMIC LOSS OR LOSS OF PROFITS SUFFERED BY THE OTHER PARTY, EXCEPT FOR LIABILITY FOR BREACH OF ARTICLE 9 OR TO THE EXTENT ANY SUCH DAMAGES ARE REQUIRED TO BE PAID TO A THIRD PARTY AS PART OF A CLAIM SUBJECT TO INDEMNIFICATION PURSUANT TO ARTICLE 12. PAYMENTS ACCRUED AND PAYABLE UNDER ARTICLE 6 AND NOT PAID WHEN OWED SHALL BE TREATED AS GENERAL DAMAGES (NOT SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSSES OR LOST PROFITS).

15.5 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York, U.S., without reference to its conflicts of law principles with the exception of sections 5-1401 and 5-1402 of New York General Obligations Law (without limiting the Parties' rights and obligations under Section 15.6). The United Nations Conventions on Contracts for the International Sale of Goods shall not be applicable to this Agreement.

15.6 Dispute Resolution.

(a) Resolution of Disputes. The Parties shall negotiate in good faith and use reasonable efforts to settle any Dispute arising from or related to this Agreement or the breach thereof. If the Parties cannot resolve the Dispute within […***…] days of a written request by either Party to the other Party, the Parties agree to hold a meeting, attended by the Senior Officers (or their designee with executive authority), as appropriate in light of the subject matter of the Dispute, to attempt in good faith to negotiate a resolution of the Dispute prior to pursuing other available remedies. If, within […***…] days after such written request, the Parties have not succeeded in negotiating a resolution of the Dispute, and a Party wishes to pursue the matter, each such Dispute that is not an Excluded Claim shall be resolved by binding arbitration in accordance with the Commercial Arbitration Rules and Supplementary Procedures for Large Complex Disputes of the American Arbitration Association (AAA) as then in effect, and judgment on the arbitration award may be entered in any court having jurisdiction thereof. The decision rendered in any such arbitration will be final and not appealable. If either Party intends to commence binding arbitration of such Dispute, such Party will provide written notice to the other Party informing the other Party of such intention and the issues to be resolved. Within

[…***…] days after the receipt of such notice, the other Party may by written notice to the Party initiating binding arbitration, add additional issues to be resolved.

(b) Arbitration Panel. The arbitration shall be conducted by a panel of three (3) neutral arbitrators, none of whom is a current or former employee or director, or a then-current stockholder, of either Party or their respective Affiliates. Unless otherwise agreed by the Parties, each of the arbitrators will be a lawyer with at least fifteen (15) years of experience with a law firm or corporate law department or who was a judge of a court of general jurisdiction, and who has reasonable experience in arbitrating contract disputes within the pharmaceutical and biotechnology sector. Within […***…] days after receipt of the original notice of binding arbitration (the "**Notice Date**"), each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within […***…] Business Days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the AAA. The place of arbitration shall be New York, New York, and all proceedings and communications shall be in English.

(c) Limited Discovery. It is the intention of the Parties that discovery, although permitted as described herein, will be limited except in exceptional circumstances. The arbitrators will permit such limited discovery necessary for an understanding of any legitimate issue raised in the arbitration, including the production of documents. No later than […***…] days after selection of the third arbitrator, the Parties and their representatives shall hold a preliminary meeting with the arbitrators, to mutually agree upon and thereafter follow procedures seeking to assure that the arbitration will be concluded within […***…] months from such meeting. Failing any such mutual agreement, the arbitrators will design and the Parties shall follow procedures to such effect.

(d) Governing Law. The arbitrators will, in rendering their decision, apply the governing law set forth in Section 15.5.

(e) Interim Relief. Either Party may apply to the arbitrators for interim injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy under this Agreement, seek from any court having jurisdiction any injunctive or provisional relief necessary to protect the rights or property of that Party pending the arbitration award. The arbitrators shall have no authority to award punitive or any other non-compensatory damages, except as may be permitted by Section 15.4. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrators' and any administrative fees of arbitration.

(f) No Disclosure. Except to the extent necessary to confirm or enforce an award or as may be required by Applicable Laws, neither a Party nor an arbitrator may disclose the existence, content, or results of an arbitration without the prior written consent of both Parties. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the Dispute would be barred by the applicable New York statute of limitations.

(g) Enforcement of Arbitration Award. The Parties consent to the jurisdiction of any appropriate court for the venue in which the arbitration is held for the enforcement of these provisions and the modification, vacation or affirmation of judgment on any award rendered hereunder. Should such court for any reason lack jurisdiction, any court with jurisdiction shall act in the same fashion. Each Party has the right before or, if the arbitrators cannot hear the matter within an acceptable period, during the arbitration to seek from the appropriate court provisional remedies such as preliminary injunction, to avoid irreparable harm, maintain the status quo, or preserve the subject matter of the arbitration. Each Party hereto waives its right to trial of any issue by jury.

15.7 Injunctive Relief. Notwithstanding the provisions of Section 15.6, each Party acknowledges that, in the event of a breach of an obligation under Article 9 to maintain in confidence the other Party's Confidential Information, the other Party shall have the right, in addition to any other rights available under Applicable Laws, to seek from any court of competent jurisdiction injunctive relief to restrain any breach or threatened breach of, or otherwise to specifically enforce, any covenant or obligation of such Party under such provisions.

15.8 Force Majeure. Neither Party shall be responsible to the other for any failure or delay in performing any of its obligations under this Agreement or for other non-performance hereunder (excluding, in each case, the obligation to make payments when due) if such delay or non-performance is caused by strike, fire, flood, earthquake, accident, war, act of terrorism, act of God or of the government of any country or of any local government, or by cause unavoidable or beyond the control of any Party hereto. In such event, the Party affected will use commercially reasonable efforts to resume performance of its obligations.

15.9 Waivers and Amendments. The failure of any 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 by the other Party. No waiver shall be effective unless it has been given in writing and signed by the Party giving such waiver. No provision of this Agreement, including any of its Exhibits or other attachments, may be amended or modified other than by a written document signed by authorized representatives of each Party.

15.10 Relationship of the Parties. Nothing contained in this Agreement shall be deemed to constitute a partnership, joint venture, or legal entity of any type between Company and Janssen, or to constitute one as the agent or employer of the other. Each Party shall act solely as an independent contractor, and nothing in this Agreement shall be construed to give any Party the power or authority to act for, bind, or commit the other.

15.11 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax (with written confirmation of receipt), provided that a copy is sent by an internationally recognized overnight delivery service (with delivery tracking and confirmation), or (c) when received by the addressee, if sent by an internationally recognized overnight delivery service (with delivery tracking and confirmation),

in each case to the appropriate addresses and fax numbers set forth below (or to such other addresses and fax numbers as a Party may designate by notice):

If to Company:

11119 North Torrey Pines Road, Suite 125
San Diego, California
Attn: Chief Executive Officer
Fax: 858-500-8801

With a copy to:

Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121
Attn: L. Kay Chandler, Esq.
Fax: +1-858-550-6420

If to Janssen:

Attn: Chairman
Janssen Pharmaceutica NV
Turnhoutseweg 30
2340 Beerse
Belgium

With a copy to:

Chief Intellectual Property Counsel
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933, U.S.A.
Fax: 732-524-2788

15.12 Further Assurances. Janssen and Company each hereby covenants and agrees, without the necessity of any further consideration, to execute, acknowledge and deliver any and all such other documents and take any such other action as may be reasonably necessary to carry out the intent and purposes of this Agreement.

15.13 No Third Party Beneficiary Rights. This Agreement is not intended to and shall not be construed to give any Third Party any interest or rights (including, without limitation, any third party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby.

15.14 Entire Agreement. This Agreement, including its Exhibits and any other attachments, sets forth the entire agreement and understanding of the Parties as to the subject

matter hereof and supersedes all proposals, oral or written, and all other communications between the Parties with respect to such subject matter, including the Confidentiality Agreement. In the event of any conflict between any provisions of the body of this Agreement and any Exhibit or other attachment hereto, the provisions of the body of this Agreement shall prevail.

15.15 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by facsimile transmission or in Adobe™ Portable Document Format (PDF) sent by electronic mail shall be deemed to be original signatures.

15.16 Expenses. Each Party shall pay its own costs, charges and expenses incurred in connection with the negotiation, preparation and completion of this Agreement.

15.17 English Language. This Agreement is in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given under this Agreement, and all written, electronic, oral or other communications between the Parties regarding this Agreement, shall be in the English language.

15.18 Additional Agreements. Each Party further agrees that it has not entered into this Agreement in reliance upon any representation, warranty or undertaking of the other Party which is not expressly set out in this Agreement.

15.19 Effect of Laws. Nothing in this Agreement shall operate to:

(a) exclude any provision implied into this Agreement by law that may not be excluded by law; or

(b) limit or exclude any liability, right or remedy to a greater extent than is permissible under law.

15.20 Government Approvals.

(a) Each Party will use commercially reasonable efforts to obtain any government approval required in its country of domicile to enable this Agreement to become effective, or to enable any payment hereunder to be made, or any other obligation hereunder to be observed or performed. Each Party will keep the other informed of progress in obtaining any such government approval, and will cooperate with the other Party in any such efforts, and notwithstanding anything to the contrary herein, this Agreement shall become effective upon obtaining any such required government approval.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the Parties intending to be bound have caused this Agreement to be executed by their duly authorized representatives.

JANSSEN PHARMACEUTICA NV

By: /s/ Tom Heyman
Name: Tom Heyman
Title: Managing Director

By: /s/ Lude F. Lauwers
Name: Dr. Lude F. Lauwers, M.D.
Title: Senior Vice President

Date: December 18, 2014

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson
Title: President and CEO

Date: December 18, 2014

EXHIBIT 1

[…***…]

***Confidential Treatment Requested

EXHIBIT 2(A)

Janssen Patent Rights Owned by Janssen or an Affiliate as of the Effective Date

Docket No.	Serial No.	Filed	Grant No.	Assignee(s)	Status
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

*****Confidential Treatment Requested**

EXHIBIT 2(B)

Janssen Patent Rights Licensed by Janssen or an Affiliate as of the Effective Date

US Patent No. […***…]

US […***…] (non-exclusively licensed to Janssen or Affiliate)

*****Confidential Treatment Requested**

EXHIBIT 3

Records of Janssen Know-How as of the Effective Date

[…***…]

*****Confidential Treatment Requested**

EXHIBIT 4

Janssen TM Rights as of the Effective Date

Trademark	Country	Status	Filing date	Filing No.	Registration date	Registration No.	Next renewal
[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]	[…***…]

***Confidential Treatment Requested

EXHIBIT 5

Existing Third Party Agreements as of the Effective Date

[…***…]

*****Confidential Treatment Requested**

EXHIBIT 6

Guidelines on Care and Use of Service Animals

- All laboratory research animals housed or used in connection with the Development Program will be treated humanely. They will be housed and cared for in compliance with the Applicable Law governing animal care and use for research (e.g., the Animal Welfare Act (7 USC 2131), the National Research Council Guide for the Care and Use of Laboratory Animals, the EU Commission, or the Japanese Ministry of Health and Welfare).
- No laboratory animal will be subjected to unnecessary pain and/or distress. Where pain and/or distress are unavoidable, appropriate analgesics, anesthetics and tranquilizers will be used except where their use will interfere with the scientific results. Exceptions should be reviewed and approved on a case-by-case basis by the Institutional Animal Care and Use Committee (IACUC) or the Ethics Committee on Animal Experiments.
- Only humane and appropriate methods of euthanasia will be used, as described by the American Veterinary Medical Association Guidelines on Euthanasia (current version) and the EU Commission.
- Prolonged physical restraint will be used only after alternative procedures have been considered and found inadequate.
- Vivaria are or will be accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC).
- Purpose-bred animals will be used. In those geographic regions of the world where purpose-bred animals are not available, animals must be obtained through regulated dealers that meet reasonable criteria for the humane care and use of laboratory research animals.

EXHIBIT 7

Compliance with Laws and the FCPA

1.1. Each Party shall comply with all laws and regulations concerning its efforts in the Development Program where it is providing work under the Agreement. Each Party shall become familiar with the FCPA, its prohibitions and purposes, and shall not undertake any actions that may violate the FCPA. Accordingly, each Party hereby agrees that:

(i) no person shall be employed by it is an official or employee of any government or any department, agency or instrumentality thereof (including, but not limited to, any health or medical providers owned or controlled by the government);

(ii) no payment or offer to pay, or the giving or offering to give, anything of value to an official or employee of any department, agency or instrumentality thereof (including, but not limited to, any health or medical providers owned or controlled by the government), or to any political party or any candidate for political office, shall be made with the purpose of influencing any decisions favorable to either Party or its Affiliates in contravention of the FCPA or the laws of the country in which it is providing work;

(iii) it not pay, nor offer or agree to pay, nor caused to be paid, directly or indirectly, any political contributions, fees or commissions to any governmental employee or representative (including, but not limited to, any employee of any health or medical provider owned or controlled by the government) that could cause a violation of the FCPA;

(iv) it will not, directly or indirectly, in connection with the Agreement and the business resulting therefrom, offer, pay, promise to pay, or authorize the giving of money or anything of value to any governmental official or representative, to any political party or official thereof, or to any candidate for political office, or to any person, while knowing or being aware of the probability that all or any portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any government official, to any political party or official thereof, or to any candidate to political office, for the purpose of:

a. influencing any act or decisions of such official, political party, party official, or candidate in its official capacity, including a decision to fail to perform official functions; or

b. inducing such official, political party, party official, or candidate to use influence with the government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist either Party in obtaining or retaining business for or with, or directing business to, any third party.

(v) Each Party will immediately notify the other Party if it becomes aware of any apparent violation of the FCPA in connection with its activities hereunder.

1.2. Each Party shall provide the other Party and its agents and representatives (collectively, “Agents”), as well as any regulatory authorities having regulatory oversight of the Party or its Affiliates, with access to its facilities, records (financial and otherwise), and supporting documentation as may be requested by any Agents in order to document or verify compliance with the provisions of this Exhibit**.** Each Party acknowledges that the provisions of this Exhibit granting the other Party certain audit rights shall in no way relieve the Party of any of its obligations under the Agreement, nor shall such provisions require the other Party to conduct any such audits.

1.3. Each Party shall maintain true and accurate records necessary to demonstrate compliance with the Agreement (including the requirements of this Exhibit).

1.4. If a Party fails to comply with any of the provisions of this Exhibit (irrespective of the size, nature or materiality of such violation), such failure may be treated by the other Party as a material breach.

1.5. Notwithstanding anything to the contrary in the Agreement, a Party may disclose its terms and conditions (including any financial terms) to any government authority that it determines in good faith has a legitimate need for access to such information (including, but not limited to, any governmental authorities in the U.S. or those in the country where research is being provided).

EXHIBIT 8

Company Press Release

Kura Oncology Announces License Agreement with Janssen Pharmaceutica NV

LA JOLLA, California, Nov. XX, 2014 – Kura Oncology, Inc. announced today it has entered into an agreement with Janssen Pharmaceutica NV for an exclusive license, in the field of oncology, to develop and commercialize tipifarnib, a protein farnesyl transferase inhibitor, for treatment of patients with cancer. Kura intends to advance tibifarnib into Phase 2 clinical trials to evaluate its activity in well-defined target patient populations where certain solid tumors are driven by a novel oncogenic activating mutation as well as hematologic malignancies.

“Tipifarnib has demonstrated encouraging clinical activity in multiple patient populations and represents a promising clinical development opportunity with the right patient selection strategy,” said Troy Wilson, President and Chief Executive Officer of Kura Oncology. “We intend to leverage an understanding of the cancer genome as well as advances in patient selection to accelerate clinical development of tipifarnib in well-defined target populations.”

Under the terms of the agreement, Kura assumes sole responsibility for development and commercialization of tipifarnib in the field of oncology.

About Kura Oncology

Kura Oncology, Inc. is a biopharmaceutical company focused on the development of innovative products for the treatment of patients with cancer. The company focuses on small molecule drug candidates targeting driver oncogenes or signaling pathways associated with cancer, with development stage programs aimed at rapid clinical readout and accelerated development and commercialization. Kura was founded in 2014 and is based in La Jolla, California and Cambridge, Massachusetts.

EXHIBIT 9

Convertible Note

THIS CONVERTIBLE PROMISSORY NOTE AND THE SECURITIES ISSUABLE UPON ANY CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, UNLESS (1) EITHER (A) A REGISTRATION WITH RESPECT THERETO SHALL BE EFFECTIVE UNDER THE SECURITIES ACT, OR (B) THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

KURA ONCOLOGY, INC.

CONVERTIBLE PROMISSORY NOTE

$1,000,000 [•], 2014
San Diego, California

FOR VALUE RECEIVED, Kura Oncology, Inc., a Delaware corporation (the ***"Company"***), promises to pay to Johnson & Johnson Innovation—JJDC, Inc., or its assignee (the ***"Holder"***), the principal sum of One Million US Dollars $1,000,000.00 (the ***"Principal Amount"***), together with interest, in the manner provided herein.

1. Maturity Date; No Pre-Payment.

(a) *Maturity Date*. Unless earlier converted as provided in Section 4 herein, an amount equal to the sum of the entire outstanding principal balance under this Note, plus all unpaid accrued interest hereon, shall be due and payable on the earliest to occur of: (i) May 31, 2016 (the "***Maturity Date***"), (ii) a Change of Control (as defined below), and (iii) the occurrence of an Event of Default (as defined below).

(b) *No Pre-Payment*. This Note may not be prepaid by the Company, either in whole or in part.

2. Interest.

Interest on the unpaid Principal Amount shall accrue beginning on the date hereof at a rate equal to eight percent (8%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days from the date of this Note until the Principal Amount and all interest accrued thereon are paid or converted. Unless earlier converted as provided in Section 4

herein, interest shall not be due and payable until the Maturity Date or an earlier Change of Control or Event of Default.

3. Events of Default.

(a) *Definition of Event of Default*. Any one or more of the following events shall constitute an "***Event of Default***":

(i) The Company fails to pay on the due date any of the Principal Amount or interest on this Note, or any other amount due under this Note, when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment thereof or by acceleration thereof or otherwise, and such default shall continue unremedied for a period of five (5) business days after written notice thereof by the Holder;

(ii) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (a) relief in respect of the Company or any subsidiary, or of a substantial part of the property or assets of the Company or any subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (b) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any subsidiary or for a substantial part of the property or assets of the Company or any subsidiary, or (c) the winding-up or liquidation of the Company or any subsidiary, and any such proceeding or petition shall continue undismissed for sixty (60) days after filing or an order or decree approving or ordering any of the foregoing shall be entered;

(iii) The Company shall (a) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (b) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in Section 3(a)(ii) above, (c) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any subsidiary or for a substantial part of the property or assets of the Company or any subsidiary, (d) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (e) make a general assignment for the benefit of creditors, (f) become unable, admit in writing its inability or fail generally to pay its debts as and when they become due or (g) take any action for the purpose of effecting any of the foregoing.

(b) *Rights upon Event of Default*. Upon the occurrence of an Event of Default, the Holder may, by notice to the Company, declare the entire unpaid Principal Amount of this Note, all interest accrued and unpaid thereon and all other amounts payable under this Note to be forthwith due and payable, whereupon this Note, all such accrued interest and all such other amounts shall become and be forthwith due and payable. The Holder also may exercise from time to time any rights and remedies available to it by law.

4. Conversion.

(a) *Mandatory Conversion*. Subject to and in compliance with the provisions of this Section 4, at any time prior to the Maturity Date, upon the Company's receiving gross proceeds of at least $10,000,000.00 (not including the aggregate principal amount of, and accrued interest on, the Note to be converted) in an offering or series of related offerings from the bona fide sale of Series A Preferred Stock or such other class of shares as are issued by the Company (a "***Qualified Equity Financing***"), the entire outstanding Principal Amount of this Note and all accrued and unpaid interest thereon shall automatically convert into shares of the Company's capital stock with equivalent rights and preferences (other than to account for the Company's obligation to Holder pursuant to Section 4(e) below) as the shares issued in such Qualified Equity Financing (such shares to be issued upon such conversion hereof, the "***Qualified Equity Financing Shares***") at a conversion price equal to the lowest per share purchase price paid for the shares offered in the Qualified Equity Financing.

(b) *Conversion Procedure*. Before the Holder shall be entitled to convert this Note into Qualified Equity Financing Shares pursuant to Section 4(a) above, the Holder shall surrender this Note, duly endorsed, at the office of the Company. The conversion shall be deemed to have been made immediately prior to the close of business on the date of the consummation of the Qualified Equity Financing. Thereupon, the Company shall promptly issue and deliver to the Holder a certificate or certificates for the number of Qualified Equity Financing Shares to which the Holder is entitled.

(c) *Note No Longer Outstanding*. Upon conversion of this Note, this Note shall no longer be deemed to be outstanding and all rights of the Holder as a holder of this Note shall cease.

(d) *Fractional Shares*. No fractional Qualified Equity Financing Shares shall be issued upon conversion of this Note. The Company shall, in lieu of issuing any fractional shares, pay the Holder cash equal to the product of such fraction multiplied by the applicable conversion price on the date of conversion.

(e) *Execution of Agreements Upon Conversion*. If this Note converts upon a Qualified Equity Financing pursuant to Section 4(a) above, then in connection therewith, the Holder and the Company will, if requested by either the Company or Holder, execute and deliver to each other such agreements (including, without limitation, a purchase agreement, investor rights agreement, right of first refusal/co-sale agreement and voting agreement (the "***Financing Agreements***")) as are executed and delivered by other investors in such financing. The Financing Agreements shall provide that, so long as the Company continues to develop and commercialize tipifarnib under that certain License Agreement, dated on or about the date of this Note, between Holder's affiliate (Janssen Pharmaceutica NV) and the Company, except with the written consent of the Holder, the Company may not, directly or indirectly (including without limitation by merger, consolidation, recapitalization, reclassification or otherwise), impose on the Holder what is commonly known as a "pay-to-play" provision or any similar provision in the Company's certificate of incorporation that, upon the failure of the Holder to participate in whole or in part in any future financing of the Company, would (i) cause or permit the conversion of the Holder's Qualified Equity Financing Shares into another class or series of capital stock or (ii)

otherwise modify the preferences, rights, privileges or powers of the Holder's Qualified Equity Financing Shares (such provision to be included in the applicable Financing Agreements, the "***Pay-To-Play Limitation***"); *provided, however*, that there shall be no obligation for any Financing Agreements to contain a Pay-To-Play Limitation at any time following the date of the closing of the sale of the Company's securities pursuant to a registration statement filed by the Company under the Securities Act of 1933, as amended, in connection with the firm commitment underwritten offering of its securities to the general public.

5. Change of Control. In the event of a Change of Control (defined below) prior to the closing of a Qualified Equity Financing, the Holder may elect to, at its sole discretion and upon written notice to the Company, be paid the sum of (i) one and one half times (1.5x) the outstanding Principal Amount plus (ii) accrued interest on this Note, payable upon consummation of the Change of Control. The Company shall provide written notice to the Holder of a Change of Control at least 15 days in advance of the consummation thereof. A "***Change of Control***" means (a) any merger with another company or an acquisition of the Company, whether by recapitalization, consolidation, sale of outstanding equity securities or otherwise, as a result of which the existing equity holders of the Company prior to such transaction hold less than fifty percent (50%) of the outstanding voting securities of the surviving entity after such transaction, or (b) a sale of all or substantially all of the assets of the Company.

6. Miscellaneous.

(a) *No Stockholder Rights*. The Holder shall not be entitled to vote or receive dividends or be deemed the holder of any equity securities of the Company that may at any time be issuable on the conversion hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a holder of equity securities of the Company or any right to vote for the election of directors or upon any matter submitted to holders of equity securities at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, or change of stock to no par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Note shall have converted in accordance with Section 4 hereof.

(b) *Waiver and Amendment*. Any term of this Note may be amended or waived, either retroactively or prospectively, with the written consent of the Company and the Holder.

(c) *Notices and Addresses*. Any notice, demand, request, waiver, or other communication under this Note shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by telecopy or email; on the business day after notice is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

Company: Kura Oncology, Inc.
11119 N. Torrey Pines Road, Suite 125

La Jolla, CA 92037

Holder: Johnson & Johnson Innovation—JJDC, Inc.
410 George Street
New Brunswick, NJ 08901

(d) *Lost, Stolen or Mutilated Note*. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and (in the case of loss, theft or destruction) of unsecured indemnity satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of such Note, if mutilated, the Company will make and deliver in lieu of such Note a new Note of like tenor and unpaid Principal Amount and dated as of the original date of this Note.

(e) *Severability; Binding Effect*. Any provision of this Note which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Note or affecting the validity or unenforceability of any of the terms and provisions of this Note in any other jurisdiction. This Note shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

(f) *Governing Law*. This Note shall be construed and enforced in accordance with and governed by laws of the State of Delaware, without giving effect to the conflict of laws principles thereof.

(g) *Jurisdiction and Service of Process.* Any legal action or proceeding with respect to this Note shall be brought in the courts of the State of Delaware. By execution and delivery of this Note, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of the parties hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to the party at its address set forth in Section 6(c) hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Note has been executed and delivered as of the date first written above.

Company:

Kura Oncology, Inc.

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

Holder:

Johnson & Johnson Innovation - JJDC, Inc.

By: _____
Name:
Title:

EXHIBIT 10

JJDC Representations and Warranties

In connection with the Convertible Note, JJDC represents and warrants to Company that:

(a) Purchase Entirely for Own Account. The applicable equity securities of Company to be acquired by JJDC will be acquired for investment for JJDC's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and JJDC has no present intention of selling, granting any participation in, or otherwise distributing the same. JJDC does not presently have any contract, undertaking, agreement or arrangement with any third party to sell, transfer or grant participations to such third party, with respect to any of the applicable equity securities of Company.

(b) Disclosure of Information. JJDC has had an opportunity to discuss Company's business, management, financial affairs and the terms and conditions of the offering of the applicable equity securities of Company with Company's management.

(c) Restricted Securities. JJDC understands that the applicable equity securities of Company have not been, and will not be, registered under the Securities Act of 1933, as amended, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of JJDC's representations as expressed herein. JJDC understands that the applicable equity securities of Company are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, JJDC must hold such equity securities indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. JJDC acknowledges that Company has no obligation to register or qualify the applicable equity securities of Company, or any securities into which such equity securities may be converted, for resale except as set forth in the Convertible Note. JJDC further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the applicable equity securities of Company, and on requirements relating to Company which are outside of the JJDC's control, and which Company is under no obligation and may not be able to satisfy.

(d) No Public Market. JJDC understands that no public market now exists for the applicable equity securities of Company, and that Company has made no assurances that a public market will ever exist for such securities.

(e) Accredited Investor. JJDC is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(f) Legends. JJDC understands that the stock certificates for the applicable equity securities of Company and any securities issued in respect of or exchange for such equity securities, may bear one or all of the following legends:

(i) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED".

(ii) Any legend set forth in, or required by, applicable financing agreements entered into in connection with the issuance and sale of the equity securities.

(iii) Any legend required by the securities laws of any state to the extent such laws are applicable to such equity securities represented by the certificate so legended.

JOHNSON & JOHNSON INNOVATION - JJDC, INC.

By: _____

Name: _____

Title: _____

Date: _____

Exhibit 10.7

*****Text Omitted and Filed Separately with the Securities and Exchange Commission.**
Confidential Treatment Requested Under
17 C.F.R. Sections 200.80(b)(4) and 240.24b-2

AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

THIS AMENDED AND RESTATED ASSET PURCHASE AGREEMENT (the ***"Agreement"***) is entered into as of February 12, 2015 ("***Signing Date***"), by and between **KURA ONCOLOGY, INC.**, a Delaware corporation (***"Purchaser"***), and **ARAXES PHARMA LLC**, a Delaware limited liability company (***"Seller"***). The foregoing may be referred to individually as a "***Party***" and collectively as "***Parties***" in this Agreement.

WHEREAS, Seller and Purchaser entered into an Asset Purchase Agreement (the "***Prior Asset Purchase Agreement***"), effective December 23, 2014 (the ***"Effective Date"***);

WHEREAS, Seller and Purchaser desire to amend and restate the Prior Asset Purchase Agreement as set forth in this Agreement, effective as of the Effective Date.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS

1.1 "Affiliate" shall mean, with respect to a given party, any corporation, company, partnership, joint venture or other entity that, directly or indirectly, through one or more intermediaries, is controlled by, controlling, or under common control with such party, as the case may be, but for only so long as such control exists. As used in this Section 1.1, **"control"** shall mean direct or indirect beneficial ownership of more than 50% (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting share capital or other equity interest in any corporation, company, partnership, joint venture, or other entity.

1.2 "Assets" shall mean:

(a) the Patent Rights;

(b) proprietary information, discoveries, methods, techniques, data, results and other information of Seller which uniquely relate to the Patent Rights (including without limitation laboratory notebooks), as further described on **Exhibit A**; and

(c) all claims (including claims for past infringement or misappropriation of intellectual property or intellectual property rights) and causes of action of Seller against third parties (regardless of whether or not such claims and causes of action have been asserted by Seller as of or prior to the Effective Date) pertaining to or arising out of any of the Patent Rights or any items described in Section 1.2(b), and all rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery possessed by Seller pertaining to or arising out of such claims and causes of action (regardless of whether such rights are currently exercisable).

1.3 "Confidential Information" of a party shall mean, subject to the exceptions specified below, all information disclosed by such party (the "disclosing party") to the other party (the "receiving party"), whether in oral, written, graphic or electronic form. Notwithstanding the foregoing, the Assets shall be deemed the Confidential Information of Purchaser (*i.e.*, Purchaser shall be considered the disclosing party and Seller shall be considered the receiving party with respect thereto), and, except as otherwise provided in Article 5 hereof, the contents of this Agreement shall be considered the Confidential Information of both parties. The term "Confidential Information" shall not include

information which the receiving party can demonstrate by competent written proof: (a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available; (b) is known by the receiving party at the time of receiving such information, as evidenced by its written records; (c) is hereafter furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure; or (d) is independently developed by the receiving party without any breach of this Agreement; *provided, however,* that the exceptions set forth in the preceding clauses (b) and (d) shall not apply to the Assets.

1.4 "EMA" means the European Medicines Agency or its successor agency.

1.5 "FDA" shall mean the U.S. Food & Drug Administration or its successor agency.

1.6 "IND" shall mean an investigational new drug application (as more fully defined in Section 312.3 of Title 21 of the U.S. Code of Federal Regulations) filed with the FDA or the comparable application filed with any other Regulatory Authority outside of the United States of America, which application is required to commence human clinical trials in the applicable country or jurisdiction.

1.7 "NDA" shall mean a new drug application (as more fully defined in Section 314.5, *et seq.*, of Title 21 of the U.S. Code of Federal Regulations) filed with the FDA or the comparable application filed with any other Regulatory Authority outside the United States of America.

1.8 "Net Sales" means the gross amounts invoiced by Purchaser and its Affiliates and licensees for sales or other dispositions of Products to third parties that are not Affiliates or licensees, less the following items, as allocable to such Products (if not previously deducted from the amount invoiced): (a) trade, cash or quantity discounts, credits or allowances actually allowed; (b) charge back payments, administrative fees, price reductions and rebates allowed or granted to managed care organizations, government agencies or trade customers, including wholesalers and chain and pharmacy buying groups; (c) credits actually allowed for claims, allowances for damaged goods, retroactive price reductions or returned goods; (d) prepaid freight, postage, shipping, customs duties and insurance charges; and (e) sales taxes, value added taxes, duties and other governmental charges actually paid in connection with the sale, to the extent not reimbursed (but excluding what are commonly known as income taxes). Such amounts shall be determined in accordance with U.S. generally applicable accounting principles, consistently applied, and may include using accrual accounting where applicable. In no event will any particular amount identified above be deducted more than once in calculating Net Sales (i.e., no "double counting" of reductions). Disposal or use of Products for marketing, regulatory or development purposes, such as clinical trials, compassionate use or indigent patient programs, without direct or indirect consideration, shall not be deemed a sale or disposition for purposes of this Net Sales definition.

1.9 "Patent Rights" shall mean (a) the patent applications listed in **Exhibit A** hereto; (b) patent applications that claim priority to any of the foregoing patent applications; (c) continuing applications of any of the foregoing patent applications, including divisions, substitutions, continuations and continuations-in-part (but, in the case of continuations-in-part, only to the extent the claims thereof are enabled by disclosure of the parent application); (d) patents issued or issuing from any of the foregoing patent applications; (e) reissues, reexaminations, restorations (including supplemental protection certificates) and extensions of any of the foregoing patents and patent applications; and (f) foreign counterparts of any of the foregoing patents and patent applications; in each case, throughout the world, and regardless of whether any of the foregoing has been filed or has issued as of the Effective Date or is filed or issued at any time thereafter.

1.10 "Phase II Trial" means a clinical trial conducted on human study subjects with the disease or condition being studied for the principal purpose of achieving a preliminary determination of

efficacy or appropriate dosage ranges or information regarding potential pharmacodynamic and predictive biomarkers, as further defined in Federal Regulation 21 C.F.R. § 312.21(b) and its foreign equivalents.

1.11 "Phase III Trial" means a controlled clinical trial in humans of the efficacy and safety of a Product, which is prospectively designed to demonstrate statistically whether such Product is effective and safe for use in a particular indication in a manner sufficient to file an NDA, as further defined in Federal Regulation 21 C.F.R. § 312.21(c) and its foreign equivalents.

1.12 "Product" shall mean a pharmaceutical product, in any form or formulation, that contains, comprises or incorporates any compound, the composition or method of manufacture or use of which is covered by a claim of the Patent Rights.

1.13 "Regulatory Approval" means any and all approvals (including price and reimbursement approvals, if required), licenses, registrations, exemptions or authorizations of a Regulatory Authority that are required for the manufacture, promotion, marketing, storage, import, export, transport, distribution, use, offer for sale, sale or other commercialization of a Product in the applicable country or regulatory jurisdiction.

1.14 "Regulatory Authority" shall mean any regulatory agency or governmental authority in a country or other regulatory jurisdiction (including, without limitation, any supra-national agency such as the European Medicines Agency), the approval of which is necessary to market and sell a pharmaceutical product in such country or other regulatory jurisdiction.

2. PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement, including, without limitation, payment in accordance with Article 3, and effective as of the Effective Date, Seller hereby sells, transfers, conveys, assigns and delivers to Purchaser all of Seller's right, title and interest in and to the Assets, free and clear of any liens, claims, liabilities, options, pledges, mortgages, security interests, restrictions and encumbrances of any kind, whether accrued, absolute, contingent or otherwise. Without derogating from the foregoing, and for the avoidance of doubt, it is hereby clarified that upon such sale and assignment, Purchaser shall have the absolute right, at Purchaser's sole cost and expense: (a) to seek to have any existing intellectual property rights in the Assets vested and/or registered in its name or as directed by it and to protect and enhance its ownership of the Assets by obtaining further and/or new intellectual property rights in the Assets anywhere in the world; and (b) to develop and commercialize the Assets and/or products which utilize or incorporate the Assets, including the rights for Purchaser, its Affiliates and/or third parties licensed or otherwise authorized by Purchaser or its Affiliates, to research, develop, promote, market, sell, distribute, manufacture (or have manufactured), register, import, export or use the Assets and/or products which utilize or incorporate the Assets.

2.2 Further Actions.

(a) From and after the Effective Date, Seller shall, without further consideration, execute and deliver such documents and other instruments of transfer, and take such other actions, as Purchaser determines in good faith to be necessary or appropriate in order to put Purchaser in possession of, and to vest in Purchaser, good, valid and unencumbered title to the Assets in accordance with this Agreement and to effect, record, evidence and perfect the assignment of the Assets to Purchaser. Without limiting the generality of the foregoing, Seller shall execute and deliver to Purchaser such documents and other instruments as Purchaser determines in good faith to be necessary or appropriate in order to transfer to Purchaser, and to put Purchaser in possession of and to vest in Purchaser, good, valid and

unencumbered title to, the Patent Rights, and to effect, record, evidence and perfect Purchaser's ownership of the Patent Rights, including patent assignments that Purchaser may reasonably require.

(b) Seller hereby constitutes and appoints Purchaser, and any successor or assign of Purchaser, its true and lawful attorney-in-fact with full power of substitution for it and in its name, place and stead or otherwise on behalf of it, its successors and assigns, and for the benefit of Purchaser and any successor or assign of Purchaser, (i) to execute in the name of Seller and its successors and assigns, instruments of conveyance with respect to the Assets, (ii) from time to time to institute and prosecute in the name of Purchaser any and all proceedings at law, in equity or otherwise which Purchaser or any successor and assign of Purchaser may deem proper in order to collect, assert or enforce any claims, rights or titles of any kind in and to the Assets, (iii) to defend and compromise any and all actions, suits or proceedings in respect of any of the Assets, and (iv) to do any and all such acts and things in furtherance of the sale, transfer, conveyance, assignment and delivery of the Assets as Purchaser or any successor or assign of Purchaser shall deem advisable. Seller declares that the foregoing appointment and power of attorney are coupled with an interest and are and shall be irrevocable and perpetual.

(c) From and after the Effective Date, Seller shall execute, verify, and deliver (and/or cause its employees to execute, verify and deliver) such documents, perform such other acts, and provide such other assistance as Purchaser may reasonably request in order to apply for, prosecute, maintain, defend and enforce the Patent Rights in any jurisdiction, provided that Purchaser shall compensate Seller for the provision of such assistance (other than for mere execution, verification and delivery of documents) at a reasonable hourly rate to be mutually agreed by the parties for the time actually spent by Seller at Purchaser's request on providing such assistance.

3. PAYMENTS

3.1 Purchase Price. In full consideration of the assignments and other rights conveyed to or conferred upon Purchaser under Article 2 hereof, Purchaser shall:

(a) issue to Seller a convertible promissory note in the principal amount of five hundred thousand dollars ($500,000) on the terms set forth in the form of convertible promissory note attached hereto as **Exhibit B** (the "***Convertible Note***");

(b) pay to Seller contingent payments (the "***Milestone Payments***") for the achievement of the following milestone events (the "***Milestone Events***") by Purchaser or its Affiliate or licensee in the amounts set forth below, which shall be payable […***…] days after the achievement of the applicable Milestone Event:

(i) $[…***…];

(ii) $[…***…];

(iii) $[…***…];

(iv) $[…***…];

(v) $[…***…];

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(vi) $[…***…];

(vii) $[…***…];

(viii) $[…***…]; and

(ix) $[…***…].

(c) pay to Seller royalties on Products sold by or on behalf of Purchaser or its Affiliates or licensees (the "***Royalties***") on a Product-by-Product and country-by-country basis during the period from the first commercial sale of a Product in a given country through the date of expiration of the last-to-expire of the Patent Rights that include a […***…] (the "***Royalty Period***"). Royalties due each calendar year during the Royalty Period shall be calculated by multiplying the incremental Net Sales of Products for such year against the applicable royalty rate identified below, subject to any applicable reductions provided for in Section 3.4, with each royalty rate referred to below applying only to that increment of Net Sales that falls within the incremental sales bracket for such royalty rate.

Annual aggregate Net Sales of Products	***Royalty Rate***
Less than or equal to $[…***…]	[…***…]%
Greater than $[…***…] and less than or equal to $[…***…]	[…***…]%
Greater than $[…***…]	[…***…]%

To illustrate, if, for example, aggregate annual worldwide Net Sales of Products upon which royalties are due and payable as provided in this Section 3.1(c) were $[…***…] during any year of the Royalty Period, then absent any reductions pursuant to Section 3.4, the royalties due would be calculated as follows: ([…***…] x $[…***…]) + ([…***…] x $[…***…]).

3.2 Royalty and Milestone Payments. Royalties due under Section 3.1(c) shall be paid no later than […***…] days following the end of each calendar quarter during the Royalty Period and accompanied by a reasonably detailed written accounting of Net Sales for the applicable calendar quarter in sufficient detail to permit confirmation of the accuracy of the Royalties paid. The Milestone Payments and Royalties shall be payable in U.S. dollars by wire transfer to a bank and account designated in writing by Seller, unless otherwise specified in writing by Seller. Except as otherwise provided in Section 3.1(b)(v), each of the Milestone Payments shall be payable one time only upon the first occurrence of the applicable Milestone Event, regardless of the number of Products developed or the indications for which any Product is developed. When conversion of payments from any foreign currency is required in connection with the payment of any Royalties, such conversion shall be made using the exchange rate used by Purchaser or, as applicable, its Affiliate or licensee, in its accounting system for the calendar quarter to which such payments relate. Purchaser shall be solely responsible for any payments due or payable to any third party in connection with the development or commercialization of any Product.

3.3 Royalty Termination. After the payment of all Milestone Payments and Royalties due and payable through the end of the Royalty Period, Purchaser shall have no further obligation to make any payments to Seller under Section 3.1(b) or (c).

3.4 Royalty Reduction. If Purchaser or any of its Affiliates or licensees is obligated or finds it reasonably necessary to pay consideration to any third party (other than an Affiliate) that holds a patent that is in the reasonable judgment of Purchaser or its Affiliate or licensee and its counsel would […***…], and if the […***…] to Seller and such third party(ies) […***…] percent ([…***…]%), then the royalty percentage to be paid to Seller by Purchaser set forth above shall be reduced by the percentage calculated by the following formula: […***…], in which A is the […***…] and B is […***…] on the Product. For example, if, after […***…] $[…***…], the […***…] due to Seller and one non-Affiliate third party is […***…] percent ([…***…]%), the reduction would be equal to […***…], or […***…]% and, the royalty percentages owed to Seller as set forth in Section 3.1(c) above would be reduced to […***…] percent ([…***…]%). However, in no event shall the royalty amount payable to Seller for any […***…] be reduced below […***…] percent ([…***…]%) of the royalty that would otherwise payable as set forth in Section 3.1(c), without reduction pursuant to this Section 3.4.

3.5 Representations and Warranties. In connection with Section 3.1(a), Seller represents and warrants to Purchaser as follows:

(a) Purchase Entirely for Own Account. The applicable equity securities of Purchaser to be acquired by Seller will be acquired for investment for Seller's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and Seller has no present intention of selling, granting any participation in, or otherwise distributing the same. Seller does not presently have any contract, undertaking, agreement or arrangement with any third party to sell, transfer or grant participations to such third party, with respect to any of the applicable equity securities of Purchaser.

(b) Disclosure of Information. Seller has had an opportunity to discuss Purchaser's business, management, financial affairs and the terms and conditions of the offering of the applicable equity securities of Purchaser with Purchaser's management.

(c) Restricted Securities. Seller understands that the applicable equity securities of Purchaser have not been, and will not be, registered under the Securities Act of 1933, as amended, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Seller's representations as expressed herein. Seller understands that the applicable equity securities of Purchaser are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, Seller must hold such equity securities indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Seller acknowledges that Purchaser has no obligation to register or qualify the applicable equity securities of Purchaser, or any securities into which such equity securities may be converted, for resale except as set forth in the Convertible Note. Seller further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the applicable equity securities of Purchaser, and on requirements relating to Purchaser which are outside of the Seller's control, and which Purchaser is under no obligation and may not be able to satisfy.

(d) No Public Market. Seller understands that no public market now exists for the applicable equity securities of Purchaser, and that Purchaser has made no assurances that a public market will ever exist for such securities.

(e) Accredited Investor. Seller is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(f) Legends. Seller understands that the stock certificates for the applicable equity securities of Purchaser and any securities issued in respect of or exchange for such equity securities, may bear one or all of the following legends:

(i) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED".

(ii) Any legend set forth in, or required by, applicable financing agreements entered into in connection with the issuance of the equity securities.

(iii) Any legend required by the securities laws of any state to the extent such laws are applicable to such equity securities represented by the certificate so legended.

3.6 Audit Rights. Purchaser shall keep, and shall cause its Affiliates and licensees, as applicable, to keep records in sufficient detail with respect to the Royalties. Upon written request from Seller, Purchaser shall provide Seller with written certification from Purchaser's auditors concerning the accuracy of the calculation of Royalties and corresponding Royalties payments for each calendar quarter (or portion thereof, as applicable) within the Royalty Period. In the event the audit indicates any underpayment for a given calendar quarter (or portion thereof, as applicable) within the Royalty Period by Purchaser, Purchaser shall promptly pay Seller for the additional Royalties owed by Purchaser for such calendar quarter (or portion thereof, as applicable). Purchaser shall pay interest
at […***…] regarding any underpayment from the time period commencing when the payment should have been made until the date of payment.

3.7 Taxes. Purchaser shall be responsible for the payment of any sales, use, transfer or similar taxes arising out of or in connection with the transactions contemplated by Article 2. Purchaser will make all payments to Seller under this Agreement without deduction or withholding for any taxes except to the extent that any such deduction or withholding is required by applicable law in effect at the time of payment. If any taxes are required to be withheld by Purchaser, Purchaser shall (a) deduct such taxes from the payment to Seller, (b) increase the sum payable to Seller by the amount necessary to yield to Seller an amount equal to the sum it would have received had no withholdings or deductions been made (c) timely pay the taxes to the proper taxing authority, and (d) send proof of payment to Seller and certify its receipt by the taxing authority promptly following such payment. The parties agree to cooperate in good faith to obtain the benefit of any tax treaty that may be applicable to the payments made or to be made under this Agreement. If Seller or any of its members (only in their capacity as members of Seller) is able to obtain credit for any taxes for which an additional payment is made by Purchaser under this Section ("Creditable Taxes") against any tax liability otherwise payable by Seller or any of its members (only in their capacity as members of Seller), Seller shall reimburse to Purchaser an

amount equivalent to the Creditable Taxes. Seller shall provide Purchaser with evidence as Purchaser may reasonably request to review the amount of any Creditable Taxes.

4. Representations and Warranties

4.1 Mutual Representations and Warranties. Each party represents and warrants to the other party that, as of the Effective Date: (a) the execution, delivery and performance of this Agreement by such party have been duly authorized by all necessary action on the part of such party; and (b) this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

4.2 Seller Representations and Warranties. Seller hereby represents and warrants to Purchaser that, as of the Effective Date (but prior to giving effect to the transactions contemplated by Section 2.1): (a) Seller is the sole owner of the Assets, free and clear of any third party rights; (b) without limiting the generality of the foregoing, Seller has not granted any third party any license, or option to obtain a license, under the Patent Rights; (c) Seller has not received written notice from any third party alleging that the practice of any invention claimed by the Patent Rights infringes the patent or other intellectual property rights of such third party; and (d) Seller's execution, delivery and performance of this Agreement do not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound.

4.3 Disclaimer. Except as expressly set forth herein, the Assets are provided "as is" with all faults and without any warranty, whether express, implied, statutory or otherwise, and EACH PARTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES, OR ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICES.

4.4 Limitation of Liability. EXCEPT FOR PAYMENTS UNDER ARTICLE 3 OR LIABILITY FOR BREACH OF ARTICLE 5, NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT; *provided*, *however*, that this Section 4.4 shall not be construed to limit either party's indemnification obligations under Article 6.

5. Confidentiality

5.1 Confidentiality. The receiving party hereby agrees to keep confidential and not to publish or otherwise disclose or use for any purpose any Confidential Information of the disclosing party. The receiving party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own (but no less than reasonable care) to ensure that its employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the Confidential Information. Neither Seller nor Purchaser shall issue any press release or other announcement with respect to the transactions contemplated by this Agreement without the consent of the other party, except that promptly following the Effective Date, Seller may issue a press release announcing that Seller has sold certain undisclosed patents to Purchaser, subject to Purchaser's prior review and approval of the form of such press release, which approval will not be unreasonably withheld, conditioned or delayed.

5.2 Authorized Disclosure. Notwithstanding any other provision of this Agreement, the receiving party may disclose Confidential Information of the disclosing party: (a) to the extent required in response to a valid order of a court or other governmental body or as required by law, regulation or stock exchange rule; provided, however, that the receiving party shall advise the disclosing party in advance of such disclosure to the extent practicable and permissible by such order, law, regulation or stock

exchange rule and any other applicable law, shall reasonably cooperate with the disclosing party, if requested, in seeking an appropriate protective order or other remedy, and shall otherwise continue to perform its obligations of confidentiality set out herein; and (b) to establish rights or defenses or enforce obligations under this Agreement.

6. INDEMNIFICATION

6.1 Indemnification by Purchaser. Purchaser hereby agrees to save, defend and hold Seller, its affiliates (other than Purchaser) and their respective directors, officers, employees and agents (each, a ***"Seller Indemnitee"***) harmless from and against any and all claims, suits, actions, demands, liabilities, expenses and/or losses, including reasonable legal expense and attorneys' fees (collectively, ***"Losses"***), to which any Seller Indemnitee may become subject as a result of any claim, demand, action or other proceeding by a third party to the extent such Losses arise out of (a) the development, manufacture, use, handling, storage, sale or other disposition of any Product by or on behalf of Purchaser or any of its affiliates, assignees, licensees or contractors, including, without limitation, any losses arising from any product liability or personal injury claims or lawsuits; or (b) the prosecution, maintenance, enforcement or defense of the Patent Rights by or on behalf of Purchaser or any of its affiliates, assignees, licensees or contractors; except, in each case, to the extent such Losses result from Seller's breach of its representations, warranties or obligations under this Agreement.

6.2 Indemnification by Seller. Seller hereby agrees to save, defend and hold Purchaser, its affiliates (other than Seller) and their respective directors, officers, employees and agents (each, a ***"Purchaser Indemnitee"***) harmless from and against any and all Losses to which any Purchaser Indemnitee may become subject as a result of any claim, demand, action or other proceeding by a third party to the extent such Losses arise out of Seller's breach of its representations, warranties or obligations under this Agreement.

6.3 Control of Defense. Any entity entitled to indemnification under this Article 6 shall give notice to the indemnifying party of any Losses that may be subject to indemnification, promptly after learning of such Losses, and the indemnifying party shall assume the defense of such Losses with counsel reasonably satisfactory to the indemnified party. If such defense is assumed by the indemnifying party with counsel so selected, the indemnifying party will not be subject to any liability for any settlement of such Losses made by the indemnified party without its consent (but such consent will not be unreasonably withheld or delayed), and will not be obligated to pay the fees and expenses of any separate counsel retained by the indemnified party with respect to such Losses. The indemnified party shall provide the indemnifying party with all information in its possession and all assistance reasonably necessary to enable the indemnifying party to carry on the defense of any such Losses.

7. GENERAL PROVISIONS

7.1 Governing Law; Jurisdiction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding its conflicts of laws principles. The parties hereby irrevocably submit to the exclusive jurisdiction and venue of the federal courts located in San Diego, California, for any claim or controversy arising under this Agreement.

7.2 Entire Agreement; Modification. This Agreement (including the Exhibits hereto) is both a final expression of the parties' agreement and a complete and exclusive statement with respect to all of its terms. This Agreement supersedes all prior and contemporaneous agreements and communications, whether oral, written or otherwise, among the parties concerning any and all matters

contained herein. This Agreement may only be modified or supplemented in a writing expressly stated for such purpose and signed by the parties to this Agreement.

7.3 Non-Waiver. The failure of a party to insist upon strict performance of any provision of this Agreement or to exercise any right arising out of this Agreement shall neither impair that provision or right nor constitute a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver by a party of a particular provision or right shall be in writing, shall be as to a particular matter and, if applicable, for a particular period of time and shall be signed by such party.

7.4 Assignment. Except as expressly provided hereunder, neither this Agreement nor any rights or obligations hereunder may be assigned or otherwise transferred by either party without the prior written consent of the other party (which consent shall not be unreasonably withheld); *provided*, *however*, that either party may assign this Agreement and its rights and obligations hereunder without the other party's consent in connection with the transfer or sale of all or substantially all of the business of such party to which this Agreement relates to an affiliate of such party or a third party, whether by merger, sale of stock, sale of assets or otherwise, provided that, in the case of an assignment or transfer to an affiliate, the assigning party shall remain liable and responsible to the non-assigning party hereto for the performance and observance of all such duties and obligations by such affiliate. The rights and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties. Any assignment not in accordance with this Agreement shall be void.

7.5 No Third Party Beneficiaries. This Agreement is neither expressly nor impliedly made for the benefit of any party other than those executing it.

7.6 Severability. If, for any reason, any part of this Agreement is adjudicated invalid, unenforceable or illegal by a court of competent jurisdiction, such adjudication shall not affect or impair, in whole or in part, the validity, enforceability or legality of any remaining portions of this Agreement. All remaining portions shall remain in full force and effect as if the original Agreement had been executed without the invalidated, unenforceable or illegal part.

7.7 Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by nationally-recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

if to Seller, to:	Araxes Pharma LLC 11119 N. Torrey Pines Road, Suite 125 La Jolla, CA 92037 Attention: Chief Executive Officer Facsimile No.: (858) 500-8801
if to Purchaser, to:	Kura Oncology, Inc. 11119 N. Torrey Pines Road, Suite 125 La Jolla, CA 92037 Attention: Chief Executive Officer Facsimile No.: (858) 500-8801

or to such other address as the party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a business day (or if delivered or sent on a non-business day, then on the next business day); (b) on the business day after dispatch if sent by nationally-

recognized overnight courier; and/or (c) on the fifth business day following the date of mailing if sent by mail.

7.8 Interpretation. The headings contained in this Agreement preceding the text of the articles and sections hereof are inserted for convenience and ease of reference only and shall not constitute any part of this Agreement, or have any effect on its interpretation or construction. Ambiguities and uncertainties in this Agreement, if any, shall not be interpreted against any party, irrespective of which party may be deemed to have caused the ambiguity or uncertainty to exist. This Agreement has been prepared in the English language, and the English language shall control its interpretation. In addition, all notices required or permitted to be given hereunder, and all written, electronic, oral or other communications between the Parties regarding this Agreement, shall be in the English language.

7.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument. Facsimile signatures shall be as effective as original signatures.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this **ASSET PURCHASE AGREEMENT** as of the Effective Date.

ARAXES PHARMA LLC

By: /s/ Heidi Henson
Name: Heidi Henson
Title: CFO

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson
Title: President & CEO

EXHIBIT A

[…***…]

[…***…]

[…***…]

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EXHIBIT B

CONVERTIBLE NOTE

THIS CONVERTIBLE PROMISSORY NOTE AND THE SECURITIES ISSUABLE UPON ANY CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, UNLESS (1) EITHER (A) A REGISTRATION WITH RESPECT THERETO SHALL BE EFFECTIVE UNDER THE SECURITIES ACT, OR (B) THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT IS AVAILABLE, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

KURA ONCOLOGY, INC.

CONVERTIBLE PROMISSORY NOTE

$500,000 December 23, 2014
San Diego, California

FOR VALUE RECEIVED, Kura Oncology, Inc., a Delaware corporation (the ***"Company"***), promises to pay to Araxes Pharma LLC, or its assignee (the ***"Holder"***), the principal sum of Five Hundred Thousand US Dollars ($500,000) (the ***"Principal Amount"***), together with interest, in the manner provided herein.

1. Maturity Date; No Pre-Payment.

(a) *Maturity Date*. Unless earlier converted as provided in Section 4 herein, an amount equal to the sum of the entire outstanding principal balance under this Note, plus all unpaid accrued interest hereon, shall be due and payable on the earliest to occur of: (i) May 31, 2016 (the "***Maturity Date***"), (ii) a Change of Control (as defined below), and (iii) the occurrence of an Event of Default (as defined below).

(b) *No Pre-Payment*. This Note may not be prepaid by the Company, either in whole or in part.

2. Interest.

Interest on the unpaid Principal Amount shall accrue beginning on the date hereof at a rate equal to eight percent (8%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days from the date of this Note until the Principal Amount and all interest accrued thereon are paid or converted. Unless earlier converted as provided in Section 4 herein, interest shall not be due and payable until the Maturity Date or an earlier Change of Control or Event of Default.

3. Events of Default.

(a) *Definition of Event of Default*. Any one or more of the following events shall constitute an "***Event of Default***":

(i) The Company fails to pay on the due date any of the Principal Amount or interest on this Note, or any other amount due under this Note, when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment thereof or by acceleration thereof or otherwise, and such default shall continue unremedied for a period of five (5) business days after written notice thereof by the Holder;

(ii) An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (a) relief in respect of the Company or any subsidiary, or of a substantial part of the property or assets of the Company or any subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (b) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any subsidiary or for a substantial part of the property or assets of the Company or any subsidiary, or (c) the winding-up or liquidation of the Company or any subsidiary, and any such proceeding or petition shall continue undismissed for sixty (60) days after filing or an order or decree approving or ordering any of the foregoing shall be entered;

(iii) The Company shall (a) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (b) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in Section 3(a)(ii) above, (c) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any subsidiary or for a substantial part of the property or assets of the Company or any subsidiary, (d) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (e) make a general assignment for the benefit of creditors, (f) become unable, admit in writing its inability or fail generally to pay its debts as and when they become due or (g) take any action for the purpose of effecting any of the foregoing.

(b) *Rights upon Event of Default*. Upon the occurrence of an Event of Default, the Holder may, by notice to the Company, declare the entire unpaid Principal Amount of this Note, all interest accrued and unpaid thereon and all other amounts payable under this Note to be forthwith due and payable, whereupon this Note, all such accrued interest and all such other amounts shall become and be forthwith due and payable. The Holder also may exercise from time to time any rights and remedies available to it by law.

4. Conversion.

(a) *Mandatory Conversion*. Subject to and in compliance with the provisions of this Section 4, at any time prior to the Maturity Date, upon the Company's receiving gross proceeds of at least $10,000,000.00 (not including the aggregate principal amount of, and accrued interest on, the Note to be converted) in an offering or series of related offerings from the bona fide sale of Series A Preferred Stock or such other class of shares as are issued by the Company (a "***Qualified Equity Financing***"), the entire outstanding Principal Amount of this Note and all accrued and unpaid interest thereon shall automatically convert into shares of the Company's capital stock with equivalent rights and preferences as the shares issued in such Qualified Equity Financing (such shares to be issued upon such conversion hereof, the "***Qualified Equity Financing Shares***") at a conversion price equal to the lowest per share purchase price paid for the shares offered in the Qualified Equity Financing.

(b) *Conversion Procedure*. Before the Holder shall be entitled to convert this Note into Qualified Equity Financing Shares pursuant to Section 4(a) above, the Holder shall surrender this Note, duly endorsed, at the office of the Company. The conversion shall be deemed to have been made immediately prior to the close of business on the date of the consummation of the Qualified Equity Financing. Thereupon, the Company shall promptly issue and deliver to the Holder a certificate or certificates for the number of Qualified Equity Financing Shares to which the Holder is entitled.

(c) *Note No Longer Outstanding*. Upon conversion of this Note, this Note shall no longer be deemed to be outstanding and all rights of the Holder as a holder of this Note shall cease.

(d) *Fractional Shares*. No fractional Qualified Equity Financing Shares shall be issued upon conversion of this Note. The Company shall, in lieu of issuing any fractional shares, pay the Holder cash equal to the product of such fraction multiplied by the applicable conversion price on the date of conversion.

(e) *Execution of Agreements Upon Conversion*. If this Note converts upon a Qualified Equity Financing pursuant to Section 4(a) above, then in connection therewith, the Holder and the Company will, if requested by either the Company or Holder, execute and deliver to each other such agreements (including, without limitation, a purchase agreement, investor rights agreement, right of first refusal/co-sale agreement and voting agreement (the "***Financing Agreements***")) as are executed and delivered by other investors in such financing.

5. Change of Control. In the event of a Change of Control (defined below) prior to the closing of a Qualified Equity Financing, the Holder may elect to, at its sole discretion and upon written notice to the Company, be paid the sum of (i) one and one half times (1.5x) the outstanding Principal Amount plus (ii) accrued interest on this Note, payable upon consummation of the Change of Control. The Company shall provide written notice to the Holder of a Change of Control at least 15 days in advance of the consummation thereof. A "***Change of Control***" means (a) any merger with another company or an acquisition of the Company, whether by recapitalization, consolidation, sale of outstanding equity securities or otherwise, as a result of which the existing equity holders of the Company prior to such transaction hold less than fifty percent (50%) of the outstanding voting securities of the surviving entity after such transaction, or (b) a sale of all or substantially all of the assets of the Company.

6. Miscellaneous.

(a) *No Stockholder Rights*. The Holder shall not be entitled to vote or receive dividends or be deemed the holder of any equity securities of the Company that may at any time be issuable on the conversion hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a holder of equity securities of the Company or any right to vote for the election of directors or upon any matter submitted to holders of equity securities at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, or change of stock to no par value, consolidation, merger, conveyance, or

otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Note shall have converted in accordance with Section 4 hereof.

(b) *Waiver and Amendment*. Any term of this Note may be amended or waived, either retroactively or prospectively, with the written consent of the Company and the Holder.

(c) *Notices and Addresses*. Any notice, demand, request, waiver, or other communication under this Note shall be in writing and shall be deemed to have been duly given on the date of service, if personally served or sent by telecopy or email; on the business day after notice is delivered to a courier or mailed by express mail, if sent by courier delivery service or express mail for next day delivery; and on the third day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered, return receipt requested, postage prepaid and addressed as follows:

Company:	Kura Oncology, Inc. 11119 N. Torrey Pines Road, Suite 125 La Jolla, CA 92037
Holder:	Araxes Pharma LLC 11119 N. Torrey Pines Road, Suite 125 La Jolla, CA 92037

(d) *Lost, Stolen or Mutilated Note*. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and (in the case of loss, theft or destruction) of unsecured indemnity satisfactory to it, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of such Note, if mutilated, the Company will make and deliver in lieu of such Note a new Note of like tenor and unpaid Principal Amount and dated as of the original date of this Note.

(e) *Severability; Binding Effect*. Any provision of this Note which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Note or affecting the validity or unenforceability of any of the terms and provisions of this Note in any other jurisdiction. This Note shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

(f) *Governing Law*. This Note shall be construed and enforced in accordance with and governed by laws of the State of Delaware, without giving effect to the conflict of laws principles thereof.

(g) *Jurisdiction and Service of Process.* Any legal action or proceeding with respect to this Note shall be brought in the courts of the State of Delaware. By execution and delivery of this Note, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of the parties hereto

irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to the party at its address set forth in Section 6(c) hereof.

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IN WITNESS WHEREOF, this Note has been executed and delivered as of the date first written above.

Company:

Kura Oncology, Inc.

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

Holder:

Araxes Pharma LLC

By: _____
Name:
Title:

Exhibit 10.8

SUBLEASE

THIS SUBLEASE ("Sublease"), dated August 29, 2014, for reference purposes only, is entered into by and between **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company ("Sublandlord"), and **KURA ONCOLOGY, INC.,** a Delaware corporation ("Subtenant").

RECITALS

A. Sublandlord leases certain premises consisting of approximately 16,393 square feet in a building, located at 11119 North Torrey Pines Road, La Jolla, CA 92037, pursuant to that certain lease dated March 1, 2013, between ARE-SD REGION No. 24, LLC, as landlord (the "Master Landlord") and Sublandlord, as tenant, as amended by a First Amendment to Lease dated June 11, 2013 (as amended or otherwise modified from time to time, the "Master Lease"), a copy of which is attached as **Exhibit A**, as more particularly described therein (the "Premises"). Capitalized terms used but not defined herein have the same meanings as they have in the Master Lease.

B. Sublandlord desires to sublease to Subtenant, and Subtenant desires to sublease from Sublandlord a portion of the Premises upon the terms and conditions provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, Sublandlord and Subtenant covenant and agree as follows:

AGREEMENT

1. Subleased Premises. On and subject to the terms and conditions below, Sublandlord hereby leases to Subtenant, and Subtenant hereby leases from Sublandlord, a portion of the Premises described as follows:

(a) Office 1 consisting of approximately 144 rentable square feet ("Initial Space")

(b) Offices 2-7 and Cubicles 1-7 consisting of approximately 1,416 rentable square feet ("Additional Space")

(c) (the above (a) and (b), (as more particularly shown on the layout attached at **Exhibit B** hereto) hereinafter, collectively the "Subleased Premises").

(d) Additionally, Subtenant is hereby granted the right to the nonexclusive use of the Common Areas as defined in the Master Lease and subject to the provisions of the Master Lease applicable to such Common Areas. Subtenant covenants that its use of the Common Areas shall at all times comply with any all terms, conditions and provisions of the Master Lease and with any rules and regulations established by Master Landlord and/or Sublandlord from time to time. Additionally, Subtenant is hereby granted the right to the nonexclusive use of the common areas within the Premises outlined

on Exhibit B attached hereto, which include a break room, lobby and common thoroughfares (the "Sub-Common Areas"). Upon advance written approval from Sublandlord, Subtenant may access the conference rooms located in the Premises. Subtenant covenants that its use of the Sub-Common Areas and conference rooms shall at all times comply with any all terms, conditions and provisions of the Master Lease and with any rules and regulations established by Master Landlord and/or Sublandlord from time to time

2. Term.

(a) The term of this Sublease with respect to the Initial Space shall commence on August 29, 2014 and shall expire on August 30, 2016 unless sooner terminated pursuant to any provision hereof (the "Initial Space Term")

(b) The term of this Sublease with respect to the Additional Space shall commence on October 1, 2014, and shall expire August 30, 2016 unless sooner terminated pursuant to any provision hereof (the "Additional Space Term"); (the above commencement dates in (a) and (b) referred to hereinafter, collectively, as the "Commencement Dates").

3. Possession. If for any reason Sublandlord cannot deliver possession of any of the Subleased Premises to Subtenant on the applicable Commencement Date, Sublandlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Sublease or the obligations of Subtenant hereunder or extend the term hereof, provided that no rent shall be due hereunder with respect to the applicable Subleased Premises until possession of the Subleased Premises has been delivered to Subtenant, and if for any reason Sublandlord cannot deliver possession of any of the Subleased Premises to Subtenant within thirty (30) days following the applicable Commencement Date, Subtenant may terminate this Sublease by written notice to Sublandlord.

4. Rent.

(a) Commencing on each applicable Commencement Date and continuing throughout the term of this Sublease, Subtenant shall pay monthly rent consisting of Base Rent and Additional Rent (as defined below) (collectively, "Rent") to Sublandlord in the following amounts:

(i) Base Rent. Subtenant shall pay to Sublandlord: (A) for the Initial Initial Office Space during the period between August 29, 2014 and October 1, 2014, the amount of $ 432.00; (B) For the Initial Office Space and the Additional Space during the Additional Space Term, $3.00 per rentable square foot per month, ($4,680.00 per month); ((A) and (B) being collectively referred to as "Base Rent"), subject to the rental adjustment described below.

(ii) Additional Rent. In addition to Base Rent, Subtenant shall also pay to Sublandlord, all Subtenant's Proportionate Share (as defined below) of (A) Operating Expenses (as that term is defined in Section 5 of the Master Lease), and (B) all

other costs payable by Sublandlord under the Master Lease (collectively with Operating Expenses, "Additional Rent"). Additional Rent shall be payable to Sublandlord as and when payments are due from Sublandlord pursuant to the Master Lease, but at least five (5) business days prior to the date Sublandlord must pay such amounts to Master Landlord, provided Sublandlord has invoiced Subtenant at least ten (10) business days prior to the date Sublandlord must pay such amounts to Master Landlord. Subtenant shall further pay to Sublandlord as Additional Rent any costs and expenses applicable to the Subleased Premises which are paid directly by Sublandlord, including, but limited to, utilities, personal property taxes and real property taxes. Notwithstanding the foregoing, in the event any amounts payable by Sublandlord to Master Landlord are (i) due to Sublandlord's breach of any provision of the Master Lease which is not the result of or attributable to any action or inaction by Subtenant or any of its employees, contractors or guests, (ii) due to Sublandlord's negligence or willful misconduct, or (iii) are for the sole benefit of Sublandlord, then such amounts shall not be pro-rated between Sublandlord and Subtenant and shall be the sole responsibility of Sublandlord. Notwithstanding the foregoing, in the event any amounts payable by Sublandlord to Master Landlord are (i) due to Subtenant's breach of any provision of the Master Lease (ii) due to Subtenant's negligence or willful misconduct, or (iii) are for the sole benefit of Subtenant, then such amounts shall not be pro-rated between Sublandlord and Subtenant and shall be the sole responsibility of Subtenant. For the purposes of this Sublease, "Subtenant's Proportionate Share" means the total rentable area of the Subleased Premises subleased by Subtenant hereunder divided by 72,506 (as to Subtenant's Proportionate Share of the Project expenses) or 16,393 (as to Subtenant's Proportionate Share of the Premises expenses) expressed as a percentage, as of each date under which payment is due from Subtenant hereunder.

(iii) Payment of Rent. If any of the Commencement Dates do not fall on the first day of a calendar month, Rent for the first month shall be prorated on a daily basis based upon a calendar month. Rent shall be payable to Sublandlord in lawful money of the United States, in advance, without prior notice, demand, or offset, on or before the first day of each calendar month during the term hereof. All Rent shall be paid to Sublandlord at the address specified for notices to Sublandlord in Section 14, below.

(b) Upon execution of this Sublease, Subtenant shall deliver to Sublandlord the sum of five thousand one hundred twelve Dollars ($5,112.00), representing the Base Rent for the first two months under this Lease.

(c) In the event of any casualty or condemnation affecting the Subleased Premises, Rent payable by Subtenant shall be abated hereunder, but only to the extent that Rent under the Master Lease is abated, and Subtenant waives any right to terminate this Sublease in connection with such casualty or condemnation except to the extent the Master Lease is also terminated as to the Premises or any portion thereof.

5. Security Deposit. Upon execution of this Sublease, Subtenant shall deposit with the Sublandlord the sum of four thousand six hundred eighty Dollars ($4,680.00) as a security deposit ("Security Deposit"). If Subtenant fails to pay Rent or other charges when due under this Sublease, or fails to perform any of its other obligations hereunder, and such failure is not cured within the applicable cure period under this

Sublease, Sublandlord may use or apply all or any portion of the Security Deposit for the payment of any Rent or other amount then due hereunder and unpaid, for the payment of any other sum for which Sublandlord may become obligated by reason of Subtenant's default or breach, or for any loss or damage sustained by Sublandlord as a result of Subtenant's default or breach. If Sublandlord so uses any portion of the Security Deposit, Subtenant shall restore the Security Deposit to the full amount originally deposited within ten (10) days after Sublandlord's written demand. Sublandlord shall not be required to keep the Security Deposit separate from its general accounts, and shall have no obligation or liability for payment of interest on the Security Deposit. The Security Deposit, or so much thereof as had not theretofore been applied by Sublandlord, shall be returned to Subtenant within thirty (30) days of the expiration or earlier termination of this Sublease, provided Subtenant has vacated the Subleased Premises.

6. Assignment and Subletting. Subtenant may not assign, sublet, transfer, pledge, hypothecate or otherwise encumber the Subleased Premises, in whole or in part, or permit the use or occupancy of the Subleased Premises by anyone other than Subtenant, unless Subtenant has obtained Sublandlord's consent thereto (which consent Sublandlord may withhold in its sole discretion) and the consent of Master Landlord.

7. Master Lease. This Sublease shall be subject and subordinate to all of the terms and provisions of the Master Lease, and Master Landlord shall have all rights in respect of the Master Lease and the Premises as set forth therein. Except for payments of Rent and Operating Expenses under Sections 3 and 5 of the Master Lease (which payments shall be made by Sublandlord), and, except as otherwise provided herein, Subtenant hereby agrees to perform for Sublandlord's benefit, during the term of this Sublease, all of Sublandlord's obligations under the Master Lease but only to the extent they relate to the Subleased Premises which accrue during the term of this Sublease. In the event of a conflict between the provisions of this Sublease and the Master Lease, as between the Sublandlord and the Subtenant, the provisions of this Sublease shall control.

8. Condition of Subleased Premises. Subtenant has used due diligence in inspecting the Subleased Premises and agrees to accept the Subleased Premises in "as-is" condition and with all faults without any representation or warranty of any kind or nature whatsoever, or any obligation on the part of Sublandlord to modify, improve or otherwise prepare the Subleased Premises for Subtenant's occupancy.

9. Use. Subtenant may use the Subleased Premises only for the purposes as allowed in the Master Lease, and for no other purpose. Subtenant shall promptly comply with all applicable statutes, ordinances, rules, regulations, orders, restrictions of record, and requirements in effect during the term of this Sublease governing, affecting and regulating the Subleased Premises, including but not limited to the use thereof, to the extent such compliance is required of the Sublandlord as tenant under the Master Lease. Subtenant shall not use or permit the use of the Subleased Premises in a manner that will create waste or a nuisance, interfere with or disturb other tenants in the Building or violate the provisions of the Master Lease. Additionally, Subtenant shall be responsible, at its sole cost and expense, to reimburse Sublandlord for any legal compliance costs incurred by Sublandlord as a result of Subtenant's (a) particular use of the Subleased Premises (as

opposed to general office and lab use), or (b) Subtenant's obtaining any permit or license with respect to the Subleased Premises (regarding hazardous materials or otherwise).

10. Furniture. During the term of this Sublease, Subtenant shall have the right to use the modular work stations and furniture identified on **Exhibit C** hereto ("**Furniture**"). Subtenant shall accept such Furniture in its "as-is" condition without any representation or warranty by Sublandlord. Subtenant's insurance as required under this Sublease shall include an all risk property insurance policy for the Furniture for its full replacement value, and Subtenant shall maintain the Furniture during the term hereof. At the expiration or earlier termination of this Sublease, Subtenant shall return the Furniture to Sublandlord in the same condition received, ordinary wear and tear excepted.

11. Incorporation of Sublease.

(a) All of the terms and provisions of the Master Lease, except as provided in subsection (b) below, are incorporated into and made a part of this Sublease, and the rights and obligations of the parties under the Master Lease are hereby imposed upon the parties hereto with respect to the Subleased Premises, the Subleased Premises being substituted for the Premises, the Initial Office Term and Additional Office Term, being substituted, as appropriate, for the Term, the Sublandlord being substituted for the Landlord in the Master Lease, the Subtenant being substituted for the Tenant in the Master Lease with respect to the Subleased Premises, provided, however, that under no circumstance shall Sublandlord be obligated to, or be responsible or liable in any way, for Sublandlord's or Master Landlord's failure to, (i) perform any acts required to be completed by Master Landlord under the Master Lease, (ii) supply any item, including, but not limited to, any utility or service to the Subleased Premises required to be supplied by Master Landlord under the Master Lease, or (iii) complete any work and/or maintenance in the Subleased Premises required to be completed by Master Landlord under the Master Lease; and no such failure will in any way excuse Subtenant's performance under this Sublease or entitle Subtenant to any abatement of rent or other charge. In all provisions of the Master Lease requiring the approval or consent of Master Landlord, Subtenant shall be required to obtain the approval or consent of both Sublandlord and Master Landlord. In all provisions of the Master Lease requiring that the tenant thereunder deliver notice to Master Landlord, Subtenant shall be required to deliver notice concurrently to Sublandlord and Master Landlord. In all provisions of the Master Lease requiring tenant to submit, exhibit to, supply or provide Master Landlord with evidence, certificates, or any other matter or thing, Subtenant shall be required to submit, exhibit to, supply or provide, as the case may be, the same to both Master Landlord and Sublandlord. In any such instance, Sublandlord shall determine if such evidence, certificate or other matter or thing shall be satisfactory. In addition, (A) with respect to work, services, repairs, restoration, insurance, indemnities, representations, warranties or the performance of any other obligation of Master Landlord under the Master Lease, the sole obligation of Sublandlord shall be to request the same in writing from Master Landlord as and when requested to do so by Subtenant, and to use Sublandlord's reasonable efforts (without requiring Sublandlord to spend more than a nominal sum) to obtain Master Landlord's performance; (B) with respect to any obligation of Subtenant to be performed under this Sublease, wherever the Master Landlord grants to Sublandlord a specified number of days to perform its obligation under the Master Lease,

except as otherwise provided herein, Subtenant shall have three (3) fewer days to perform the obligation, including, without limitations, curing any defaults; (C) in any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, enter or use the Premises or any areas beneath, above or adjacent thereto, such reservation or grant of right of entry shall be deemed to be benefit of both Master Landlord and Sublandlord; (D) in any case where "Tenant" is to indemnify, release or waive claims against "Landlord", such indemnity, release or waiver shall be deemed to run from Subtenant to both Master Landlord and Sublandlord; and (E) in any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord" such obligation shall be deemed to run from Subtenant to both Master Landlord and Sublandlord. In the event any casualty or condemnation gives either Master Landlord or Sublandlord the right to terminate the Master Lease and such right is exercised, this Sublease shall be terminated as of the date the Master Lease is so terminated, and neither Master Landlord nor Sublandlord shall have any liability to Subtenant by reason of such termination.

(b) The following Sections of the Master Lease are not incorporated herein: the introductory paragraphs, Sections 1, 2, 3, 4, 5, 6, 10, 11, 13, 14 17, 22 (except the second sentence of Section 22(a)), 35, 38, 39, 40, 41, 42 and 43(k) and Exhibits A, C and G.

(c) Subtenant hereby assumes and agrees to perform for Sublandlord's benefit, during the term of this Sublease, all of Sublandlord's obligations with respect to the Subleased Premises under the Master Lease, except as otherwise provided herein. Subtenant shall not commit or permit to be committed any act or omission which violates any term or condition of the Master Lease. This Sublease shall be subject and subordinate to all of the terms of the Master Lease. If the Master Lease is terminated for any reason whatsoever, this Sublease shall automatically terminate and in such event Sublandlord shall have no liability whatsoever to Subtenant.

12. Insurance. Subtenant shall be responsible for compliance with the insurance provisions of the Master Lease to the extent applicable to the Sublease Premises. Such insurance shall insure the performance by Subtenant of its indemnification obligations hereunder and shall name Master Landlord and Sublandlord as additional insureds. All insurance required under this Sublease shall contain an endorsement requiring thirty (30) days written notice from the insurance company to Subtenant and Sublandlord before cancellation or change in the coverage, insureds or amount of any policy. Subtenant shall provide Sublandlord with certificates of insurance evidencing such coverage prior to the commencement of this Sublease.

13. Default. In addition to defaults contained in the Master Lease and incorporated by reference above, failure of Subtenant to make any payment of Rent within three days of notice that it was not received when due hereunder shall constitute an event of default hereunder. If Subtenant's default causes Sublandlord to default under the Master Lease, Subtenant shall defend, indemnify and hold Sublandlord harmless from all damages, costs (including reasonable attorneys' fees), liability, expenses or claims relating to such default.

14. Notices. The addresses specified in the Master Lease for receipt of notices to each of the parties are deleted and replaced with the following:

To Sublandlord at:	Wellspring Biosciences LLC 11119 North Torrey Pines Road, Suite 125 La Jolla, CA 92037 Attn: Chief Financial Officer
To Subtenant at:	Kura Oncology, Inc. 11119 North Torrey Pines Road, Suite 125 La Jolla, CA 92037 Attn: Chief Financial Officer

15. Sublandlord's Obligations.

(a) To the extent that the provision of any services or the performance of any maintenance or any other act respecting the Subleased Premises, the Premises or Building is the responsibility of Master Landlord (collectively "Master Landlord Obligations"), upon Subtenant's request, Sublandlord shall make reasonable efforts to cause Master Landlord to perform such Master Landlord Obligations, provided, however, that in no event shall Sublandlord be liable to Subtenant for any liability, loss or damage whatsoever in the event that Master Landlord should fail to perform the same, nor shall Subtenant be entitled to withhold the payment of Rent or terminate this Sublease. It is expressly understood that the services and repairs which are incorporated herein by reference, including but not limited to the maintenance of exterior walls, structural portions of the roof, foundations, walls and floors, will in fact be furnished by Master Landlord and not by Sublandlord. In addition, Sublandlord shall not be liable for any maintenance, restoration (following casualty or destruction) or repairs in or to the Building or the Subleased Premises, other than its obligations under the Master Lease and other than its obligations under this Sublease to use reasonable efforts to cause Master Landlord to perform its obligations under the Master Lease.

(b) Except as otherwise provided herein, Sublandlord shall have no other obligations to Subtenant with respect to the Subleased Premises or the performance of the Master Landlord Obligations.

16. Early Termination of Sublease. If the Master Lease should terminate prior to the expiration of this Sublease (for any reason other than a breach of the Master Lease by Sublandlord which is not the result of or attributable to any action or inaction by Subtenant or any of its employees, contractors or guests), Sublandlord shall have no liability to Subtenant on account of such termination. To the extent that the Master Lease grants Sublandlord any discretionary right to terminate the Master Lease, whether due to casualty, condemnation, or otherwise, Sublandlord shall be entitled to exercise or not exercise such right in its complete and absolute discretion.

17. Consent of Master Landlord and Sublandlord. If Subtenant desires to take any action which requires the consent or approval of Sublandlord pursuant to the

terms of this Sublease, prior to taking such action, including, without limitation, making any alterations, then, notwithstanding anything to the contrary herein, (a) Sublandlord shall have the same rights of approval or disapproval as Master Landlord has under the Master Lease, and (b) Subtenant shall not take any such action until it obtains the consent of Sublandlord and Master Landlord, as may be required under this Sublease or the Master Lease. This Sublease shall not be effective unless and until any required written consent of the Master Landlord shall have been obtained.

18. Indemnity. Subtenant shall indemnify, defend, protect, and hold Sublandlord and Master Landlord harmless from and against all actions, claims, demands, costs liabilities, losses, reasonable attorneys' fees, damages, penalties, and expenses (collectively "Claims") which may be brought or made against Sublandlord or which Sublandlord may pay or incur to the extent caused by (i) a breach of this Sublease by Subtenant, (ii) any violation of law by Subtenant or its employees, agents, contractors or invitees (collectively, "Agents") relating to the use or occupancy of the Subleased Premises, (iii) any act or omission by Subtenant or its Agents resulting in contamination of any part or all of the Premises by Hazardous Materials, (iv) the negligence or willful misconduct of Subtenant or its Agents or (v) the use or occupancy of the Subleased Premises by Subtenant or its Agents.

Sublandlord shall indemnify, defend, protect, and hold Subtenant harmless from and against all Claims which may be brought or made against Subtenant or which Subtenant may pay or incur to the extent caused by a breach of this Sublease or Master Lease by Sublandlord, except to the extent due to any action or inaction by Subtenant or its agents.

19. Brokers. Each party hereto represents and warrants that it has dealt with no broker in connection with this Sublease and the transactions contemplated herein. Each party shall indemnify, protect, defend and hold the other party harmless from all costs and expenses (including reasonable attorneys' fees) arising from or relating to a breach of the foregoing representation and warranty.

20. Maintenance and Repair; Surrender of Subleased Premises. Subtenant shall, at Subtenant's sole cost and expense, keep the Subleased Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Sublease Term, and in any event at least in the same condition as that when the Subtenant first takes possession of the Subleased Premises less normal wear and tear and Subtenant shall otherwise perform all maintenance and repairs in the Subleased Premises which Sublandlord is required to perform under the Master Lease; provided however, that, if Subtenant fails to make such repairs, Sublandlord may upon reasonable prior written notice to Subtenant, but need not, make such repairs and replacements, and Subtenant shall pay Sublandlord's reasonable costs or expenses, arising from Sublandlord's involvement with such repairs and replacements upon being billed for same. Upon the expiration or earlier termination of this Sublease, Subtenant shall surrender the Subleased Premises in the same condition as they were in on the Commencement Date, except for ordinary wear and tear.

21. No Third Party Rights. The benefit of the provisions of this Sublease is expressly limited to Sublandlord and Subtenant and their respective permitted successors and assigns. Under no circumstances will any third party be construed to have any rights as a third party beneficiary with respect to any of said provisions.

22. Counterparts. This Sublease may be signed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one agreement.

23. Consent. This Sublease and Sublandlord's and Subtenant's obligations hereunder are conditioned upon the written consent of Master Landlord. If Sublandlord fails to obtain Master Landlord's consent within thirty (30) days after execution of this Sublease by Sublandlord, then Sublandlord or Subtenant may terminate this Sublease by giving the other party written notice thereof.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first written above.

WELLSPRING BIOSCIENCES LLC

By: /s/ Heidi Henson

Its: CFO

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson

Its: President & CEO

EXHIBIT A

MASTER LEASE

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made this 1st day of March, 2013, between **ARE-SD REGION NO. 24, LLC**, a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company ("**Tenant**").

Building:	11119 North Torrey Pines, San Diego CA 92127		
Premises:	The east side of the first floor of the Building, containing approximately 17,087 rentable square feet, as determined by Landlord, as shown on **Exhibit A**.		
Project:	The real property on which the Building in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B**.		
Base Rent:	$3.00 per rentable square foot of the Premises per month		
Rentable Area of Premises:	17,087 sq. ft.		
Rentable Area of Project:	72,245 sq. ft.	**Tenant's Share of Operating Expenses:**	23.65%
Security Deposit:	$51,261.00		
Rent Adjustment Percentage:	3%	**Target Commencement Date:**	August 16, 2013
Base Term:	Beginning on the Commencement Date and ending 36 months from the first day of the first full month following the Commencement Date.		
Permitted Use:	Research and development laboratory, related office and other related uses consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.		

Address for Rent Payment:
P.O. Box 79840
Baltimore, MD 21279-0840

Landlord's Notice Address:
385 E. Colorado Boulevard, Suite 299
Pasadena, CA 91101
Attention: Corporate Secretary

Tenant's Notice Address:
Prior to Commencement Date:
3210 Merryfield Row
San Diego, CA 92121
Attention: President/CEO

Following Commencement Date:
11119 North Torrey Pines Road, Suite 125
San Diego CA 92127
Attention: President/CEO

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

☒ **EXHIBIT A** - PREMISES DESCRIPTION
☒ **EXHIBIT B** - DESCRIPTION OF PROJECT
☒ **EXHIBIT C** - WORK LETTER
☒ **EXHIBIT D** - COMMENCEMENT DATE
☒ **EXHIBIT E** - RULES AND REGULATIONS
☒ **EXHIBIT F** - TENANT'S PERSONAL PROPERTY
☒ **EXHIBIT G** - SIGNAGE
☒ **EXHIBIT H** - CONTROL AREAS

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project which are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas**." Landlord reserves the right to modify Common Areas, provided that (i) such modifications do not materially adversely affect Tenant's use of the Premises for the

Permitted Use, (ii) such modifications do not materially increase the obligations or materially decrease the rights of Tenant under this Lease, (iii) common restrooms shall continue to be available in the Building, and (iv) Landlord shall endeavor to provide Tenant with prior notice of such modifications together with a description of the scope of such modifications. In no event shall Tenant have any approval rights over any modifications to the Common Areas. From and after the Commencement Date through the expiration of the Term, Tenant shall have access to the Building and the Premises 24 hours a day, 7 days a week, except in the case of emergencies, as the result of Legal Requirements, the performance by Landlord of any installation, maintenance or repairs, or any other temporary interruptions, and otherwise subject to the terms of this Lease.

2. **Delivery; Acceptance of Premises; Commencement Date**. Landlord shall use reasonable efforts to deliver the Premises to Tenant on or before the Target Commencement Date, with Landlord's Work Substantially Completed ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 90 days of the Target Commencement Date for any reason other than Force Majeure Delays and Tenant Delays, this Lease may be terminated by Tenant by written notice to the Landlord, and if so terminated by Tenant: (a) the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant, and (b) neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease, except with respect to provisions which expressly survive termination of this Lease. As used herein, the terms "**Landlord's Work**," "**Tenant Delays**" and "**Substantially Completed**" shall have the meanings set forth for such terms in the Work Letter. If Tenant does not elect to void this Lease within 5 business days of the lapse of such 90 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The **"Commencement Date**" shall be the later of August 16, 2013 and the earlier of: (i) the date Landlord Delivers the Premises to Tenant in vacant, broom clean condition; or (ii) the date Landlord could have Delivered the Premises but for Tenant Delays. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D**; provided, however, Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above on the first page of this Lease and the Extension Term which Tenant may elect pursuant to Section 39 hereof. Landlord shall keep Tenant updated on the progress of Landlord's Work and shall, from time to time upon written request from Tenant, provide a written notice of the date Landlord anticipates it will Substantially Complete Landlord's Work.

Except as set forth in the Work Letter, if applicable: (i) Tenant shall accept the Premises in their condition as of the Commencement Date, subject to all applicable Legal Requirements (as defined in Section 7 hereof); (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, excluding the obligation to pay Base Rent and Operating Expenses.

For the period of 60 consecutive days after the Commencement Date, Landlord shall, at its sole cost and expense (which shall not constitute an Operating Expense), be responsible for any repairs that are required to be made to the Building Systems (as defined in Section 13) serving the Premises, unless Tenant or any Tenant Party was responsible for the cause of such repair, in which case Tenant shall pay the cost.

Tenant agrees and acknowledges that, except as otherwise set forth in this Lease, neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for

the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings and negotiations which are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments and agreements contained herein.

3. **Rent**.

(a) **Base Rent**. The first month's Base Rent and the Security Deposit shall be due and payable on delivery of an executed copy of this Lease to Landlord. Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above, or to such other person or at such other place as Landlord may from time to time designate in writing. Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease.

(b) **Additional Rent**. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**. Base Rent shall be increased on each annual anniversary of the first day of the first full month during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term (the "**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year. During each month of the Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12th of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Project (including, without duplication, Taxes (as defined in Section 9), capital repairs and improvements amortized over the lesser of 10 years and the useful life of such capital items ("**Approved Capital Expenses**"), and the costs of Landlord's third party property manager (not to exceed 3.0% of Base Rent) or, if there is no third party property manager, administration rent in the amount of 3.0% of Base Rent), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of the Lease and costs of correcting defects in such original construction or renovation;

(b) capital expenditures for expansion of the Project and other capital expenditures to the extent not Approved Capital Expenses;

(c) any costs incurred to remove, study, test, remediate or otherwise related to the presence of Hazardous Materials in or about the Building or the Project, which Hazardous Materials Tenant proves (i) existed prior to the Commencement Date, (ii) originated from any separately demised tenant space within the Project other than the Premises or (iii) were not brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Project by Tenant or any Tenant Party;

(d) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments or base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(e) depreciation of the Project and capital reserves (except for capital improvements amortized as set forth above, the cost of which are includable in Operating Expenses);

(f) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(g) legal and other expenses incurred in the negotiation or enforcement of leases;

(h) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(i) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(j) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(k) general organizational, administrative and overhead costs relating to maintaining Landlord‘s existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(l) costs (including attorneys’ fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants, and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(m) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(n) penalties, fines or interest incurred as a result of Landlord‘s inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord‘s failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(o) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(p) costs of Landlord’s charitable or political contributions, or of fine art maintained at the Project;

(q) costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(r) costs incurred in the sale or refinancing of the Project;

(s) net income taxes of Landlord or the owner of any interest in the Project, franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(t) real estate broker's commissions;

(u) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by insurance or third parties other than tenants of the Project under leases for space in the Project;

(v) except as provided in the Work Letter, the costs of Landlord's Work and correcting construction defects with respect to Landlord's Work;

(w) the cost of constructing or operating a Common Area fitness center, conference center and/or cafe which are constructed or installed by Landlord following the Commencement Date (each, a "**Common Area Amenity**") and which Common Area Amenity Tenant has elected by delivery of written notice to Landlord not to use during the Term (provided, however, that if the construction of such Common Area Amenity results in an increase of the assessed valuation of the Premises, Tenant shall be responsible for Tenant's Share of Taxes resulting from such increase in such assessed valuation as part of Operating Expenses). Tenant understands and agrees that if Tenant has elected by written notice to Landlord not to use a Common Area Amenity, (i) Tenant shall have no right to the use or benefit of such Common Area Amenity, and (ii) if Tenant or any of Tenant's employees uses any Common Area Amenity, Tenant shall be required to pay Tenant's Share of Operating Expenses (other than the initial construction costs of such Common Area Amenity) such Common Area Amenity, which payments shall be retroactive to the date that Tenant or any of Tenant's employees commenced using the Common Area Amenity and shall continue through the expiration of the Term; and

(x) the costs incurred in connection with the performance of alterations or modifications to the Project that are required solely due to the non-compliance of the Project with Legal Requirements applicable to the Project as of the Commencement Date, except to the extent such alterations or modifications are triggered by reason of Tenant's particular use of the Premises or Tenant's Alterations, in which case Tenant shall be solely responsible subject to Section 7.

Notwithstanding anything to the contrary contained in this Lease, Tenant shall only be responsible for any earthquake deductible or uninsured earthquake damage payable by Landlord up to Tenant's Share of 5% of the replacement cost of the Project. Following earthquake damage to the Project, Tenant shall pay Tenant's Share of any such deductible or uninsured damage in equal monthly installments (not to exceed the cap set forth above) amortized over the remaining balance of the Term of the Lease.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share

of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 45 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reason therefor. If, during such 45 day period, Tenant reasonably and in good faith questions or contests the accuracy of Landlord's statement of Tenant's Share of Operating Expenses, Landlord will provide Tenant with access to Landlord's books and records relating to the operation of the Project and such information as Landlord reasonably determines to be responsive to Tenant's questions (the "**Expense Information**"). If after Tenant's review of such Expense Information, Landlord and Tenant cannot agree upon the amount of Tenant's Share of Operating Expenses, then Tenant shall have the right to have an independent public accounting firm selected by Tenant from among the 4 largest in the United States, working pursuant to a fee arrangement other than a contingent fee (at Tenant's sole cost and expense) and approved by Landlord (which approval shall not be unreasonably withheld or delayed), audit and/or review the Expense Information for the year in question (the "**Independent Review**"). The results of any such Independent Review shall be binding on Landlord and Tenant. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the calendar year in question exceeded Tenant's Share of Operating Expenses for such calendar year, Landlord shall at Landlord's option either (i) credit the excess amount to the next succeeding installments of estimate Operating Expenses or (ii) pay the excess to Tenant within 30 days after delivery of such statement, except that after the expiration or earlier termination of this Lease or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such calendar year were less than Tenant's Share of Operating Expenses for the calendar year, Tenant shall pay the deficiency to Landlord within 30 days after delivery of such statement. If the Independent Review shows that Tenant has overpaid with respect to Operating Expenses by more than 5%, then Landlord shall reimburse Tenant for all costs incurred by Tenant for the Independent Review. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Project is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Project had been 95% occupied on average during such year.

"**Tenant's Share**" shall be the percentage set forth on the first page of this Lease as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Project occurring thereafter. The rentable area of the Premises shall not be subject to re-measurement by either party during the Term. If Landlord has a reasonable basis for doing so, Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

6. **Security Deposit**. Tenant shall deposit with Landlord, upon delivery of an executed copy of this Lease to Landlord, a security deposit (the "**Security Deposit**") for the performance of all of Tenant's obligations hereunder in the amount set forth on page 1 of this Lease, which Security Deposit shall be in the form of an unconditional and irrevocable letter of credit (the "**Letter of Credit**"): (i) in form and substance satisfactory to Landlord, (ii) naming Landlord as beneficiary, (iii) expressly allowing Landlord to draw upon it at any time from time to time by delivering to the issuer notice that Landlord is entitled to draw thereunder, (iv) issued by an FDIC-insured financial institution satisfactory to Landlord, and (v) redeemable by presentation of a sight draft in the state of Landlord's choice. If Tenant does not provide Landlord with a substitute Letter of Credit complying with all of the requirements hereof at least 10 days before the stated expiration date of any then current Letter of Credit, Landlord shall have the right to draw the full amount of the current Letter of Credit and hold the funds drawn in cash without obligation

for interest thereon as the Security Deposit. The Security Deposit shall be held by Landlord as security for the performance of Tenant's obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Upon each occurrence of a Default (as defined in Section 20), Landlord may use all or any part of the Security Deposit to pay delinquent payments due under this Lease, future rent damages under California Civil Code Section 1951.2, and the cost of any damage, injury, expense or liability caused by such Default, without prejudice to any other remedy provided herein or provided by law. Landlord's right to use the Security Deposit under this Section 6 includes the right to use the Security Deposit to pay future rent damages following the termination of this Lease pursuant to Section 21(c) below. Upon any use of all or any portion of the Security Deposit, Tenant shall pay Landlord on demand the amount that will restore the Security Deposit to the amount set forth on Page 1 of this Lease. Tenant hereby waives the provisions of any law, now or hereafter in force, including, without limitation, California Civil Code Section 1950.7, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant. Upon bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for periods prior to the filing of such proceedings. Upon any such use of all or any portion of the Security Deposit, Tenant shall, within 5 days after demand from Landlord, restore the Security Deposit to its original amount. If Tenant shall fully perform every provision of this Lease to be performed by Tenant, the Security Deposit, or any balance thereof (i.e., after deducting therefrom all amounts to which Landlord is entitled under the provisions of this Lease), shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within 60 days after the expiration or earlier termination of this Lease.

If Landlord transfers its interest in the Project or this Lease, Landlord shall either (a) transfer any Security Deposit then held by Landlord to a person or entity assuming Landlord's obligations under this Section 6, or (b) return to Tenant any Security Deposit then held by Landlord and remaining after the deductions permitted herein. Upon such transfer to such transferee or the return of the Security Deposit to Tenant, Landlord shall have no further obligation with respect to the Security Deposit, and Tenant's right to the return of the Security Deposit shall apply solely against Landlord's transferee. The Security Deposit is not an advance rental deposit or a measure of Landlord's damages in case of Tenant's default. Landlord's obligation respecting the Security Deposit is that of a debtor, not a trustee, and no interest shall accrue thereon.

7. **Use**. The Premises shall be used solely for the Permitted Use set forth in the basic lease provisions on page 1 of this Lease, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises which is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits. The use that Tenant has disclosed to Landlord that Tenant will be making of the Premises as of the Commencement Date will not result in the voidance of or an increased insurance risk with respect to the insurance currently being maintained by Landlord. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord promptly upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the

Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment which will overload the floor in or upon the Premises or transport or move such items through the Common Areas of the Project or in the Project elevators without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner which will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

Landlord shall, as an Operating Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located) make any alterations or modifications to the Project that are required by Legal Requirements, including the ADA, unless such alterations or modifications are triggered by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises or any Tenant Alterations, in which case Landlord shall make such alterations or modifications to the Project at Tenant's expense. Except as provided in the immediately preceding sentence, Tenant, at its sole expense, shall make any alterations or modifications to the interior or the exterior of the Premises or the Project that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA) related to Tenant's particular use or occupancy of the Premises or any Tenant Alterations. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with Legal Requirements related to Tenant's particular use or occupancy of the Premises or any Tenant Alterations, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement related to Tenant's specific use or occupancy of the Premises or any Tenant Alterations.

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall (x) for the first 30 days, be equal to 125% of Base Rent in effect during the last 30 days of the Term, and (y) thereafter, be equal to 150% of Base Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over, including consequential damages. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal,

local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (i) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Notwithstanding anything to the contrary herein, Landlord shall only charge Tenant for such assessments as if those assessments were paid by Landlord over the longest possible term which Landlord is permitted to pay for the applicable assessments without additional charge other than interest, if any, provided under the terms of the underlying assessments. Notwithstanding anything to the contrary contained in this Lease, Taxes shall not include any net income taxes, gross receipts tax, estate taxes or inheritance taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder, or any late penalties, interest or fines. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**. Subject to all matters of record, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Tenant shall have the right, in common with other tenants of the Project, to use 58 parking spaces in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations at no additional cost during the Base Term and the Extension Term (as defined in Section 39). Landlord may allocate parking spaces among Tenant and other tenants in the Project if Landlord determines that such parking facilities are becoming crowded. Three (3) of the parking spaces which Tenant is entitled to use pursuant to the first sentence of this Section 10 shall be marked as being reserved for Tenant in a manner consistent with Landlord's program at the Project with respect to the reservation of parking spaces. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project or for enforcing any reservation of parking spaces.

11. **Utilities, Services**. Landlord shall provide, subject to the terms of this Section 11, water, electricity, heat, light, power, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and, with respect to the Common Areas only, refuse and trash collection and janitorial services (collectively, "**Utilities**"). Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. If Landlord reasonably determines that Tenant is using Utilities in excess of Tenant's Share, Landlord may cause, at Tenant's expense, any Utilities to be separately metered or charged directly to Tenant by the provider. Landlord may otherwise cause any Utilities to be separately metered at Landlord's cost. Tenant shall pay directly to the Utility provider, prior to delinquency, any separately metered Utilities and services which may be furnished to Tenant or the Premises during the Term.

Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct, shall result in eviction or constructive eviction of Tenant, termination of this Lease or the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use. Tenant shall be responsible for obtaining and paying for its own janitorial services for the Premises.

Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be: (i) to provide emergency generators with not less than the capacity of the emergency generators located in the Building as of the date hereof, and (ii) to contract with a third party to maintain the emergency generators as per the manufacturer's standard maintenance guidelines. Landlord shall have no obligation to provide Tenant with operational emergency generators or back-up power or to supervise, oversee or confirm that the third party maintaining the emergency generators is maintaining the generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair or maintenance of the emergency generators when the emergency generators are not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that such emergency generators will be operational at all times or that emergency power will be available to the Premises when needed. If Tenant reasonably determines that the backup power available from the emergency generators existing at the Project are not sufficient for Tenant's use of the Premises, Tenant shall have the right, at Tenant's sole cost and expense, to install an emergency generator at the Project at a location reasonably acceptable to Landlord and Tenant for the exclusive use of Tenant. Tenant's installation of such emergency generator shall be treated as an Alteration and be subject to the terms of Section 12.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems and shall not be otherwise unreasonably withheld. Tenant may construct nonstructural Alterations in the Premises without Landlord's prior approval if the aggregate cost of all such work in any 12 month period does not exceed $25,000 (a "**Notice-Only Alteration**"), provided Tenant notifies Landlord in writing of such intended Notice-Only Alteration, and such notice shall be accompanied by plans, specifications, work contracts and such other information concerning the nature and cost of the Notice-Only Alteration as may be reasonably requested by Landlord, which notice and accompanying materials shall be delivered to Landlord not less than 15 business days in advance of any proposed construction. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. Tenant shall pay to Landlord, as Additional Rent, on demand an amount equal to 3% of all charges incurred by Tenant or its contractors or agents in connection with any Alteration to cover Landlord's overhead and expenses for plan review, coordination, scheduling and supervision. Before Tenant begins any Alteration, Landlord

may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup.

Tenant shall furnish security or make other arrangements reasonably satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance for workers' compensation and other coverage in amounts and from an insurance company satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (i) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Except for Removable Installations (as hereinafter defined) and Tenant's Property, all Installations (as hereinafter defined) shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term, and shall remain upon and be surrendered with the Premises as a part thereof. Notwithstanding the foregoing, Landlord may, at the time its approval of any such Installation is requested, or at the time it receives notice of a Notice Only Alteration, notify Tenant that Landlord requires that Tenant remove such Installation upon the expiration or earlier termination of the Term, in which event Tenant shall remove such Installation in accordance with the immediately succeeding sentence. Upon the expiration or earlier termination of the Term, Tenant shall remove (i) all wires, cables or similar equipment which Tenant has installed in the Premises or in the risers or plenums of the Building, (ii) any Installations for which Landlord has given Tenant notice of removal in accordance with the immediately preceding sentence, and (iii) all of Tenant's Property (as hereinafter defined), and Tenant shall restore and repair any damage caused by or occasioned as a result of such removal, including, without limitation, capping off all such connections behind the walls of the Premises and repairing any holes. During any restoration period beyond the expiration or earlier termination of the Term, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. If Landlord is requested by Tenant or any lender, lessor or other person or entity claiming an interest in any of Tenant's Property to waive any lien Landlord may have against any of Tenant's Property, and Landlord consents to such waiver, then Landlord shall be entitled to be paid as administrative rent a fee of $1,000 per occurrence for its time and effort in preparing and negotiating such a waiver of lien.

For purposes of this Lease, (x) "**Removable Installations**" means any items listed on Exhibit F attached hereto and any items agreed by Landlord in writing to be included on Exhibit F in the future, (y) "**Tenant's Property**" means Removable Installations and, other than Installations, any personal property, trade fixtures, machinery or equipment of Tenant that may be removed without material damage to the Premises, and (z) "**Installations**" means all property of any kind paid for with the TI Fund, all Alterations, all fixtures, and all partitions, hardware, built-in machinery, built-in casework and cabinets and other similar additions, equipment, property and improvements built into the Premises so as to become an integral part of the Premises, including, without limitation, fume hoods which penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch.

Tenant shall not be required to remove Landlord's Work at the expiration or earlier termination of the Term nor shall Tenant have the right to remove any Landlord's Work at any time.

13. **Landlord's Repairs**. Landlord, as an Operating Expense (except to the extent the cost thereof is excluded from Operating Expenses pursuant to Section 5 hereof), shall maintain all of the structural, exterior, parking and other Common Areas of the Project, including HVAC, plumbing, fire sprinklers, elevators and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages

caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Subject to the provisions of the penultimate paragraph of Section 17, losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 48 hours advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Landlord shall use reasonable efforts to minimize interruption of Tenant's business during such planned stoppages of Building Systems and Utilities. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall make a commercially reasonable effort to effect such repair. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense and agrees that the parties' respective rights with respect to such matters shall be solely as set forth herein. Notwithstanding anything to the contrary contained herein, repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls; provided, however, that Landlord shall be responsible, as part of Operating Expenses, for repairs, replacements and maintenance that constitute capital expenditures that Landlord, in its sole and absolute discretion, determines to be necessary. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 10 days after demand therefor; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

15. **Mechanic's Liens**. Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 10 days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code Financing Statement filed as a matter of public record by any lessor or creditor of Tenant will upon its face or by exhibit thereto indicate that such Financing Statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Project be furnished on the statement without qualifying language as to applicability of the lien only to removable personal property, located in an identified suite held by Tenant.

16. **Indemnification**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to

property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, except to the extent caused by the willful misconduct or negligence of Landlord or the default of Landlord under this Lease. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project (including the Tenant Improvements). Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $2,000,000 for bodily injury and property damage with respect to the Project. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or which are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance which Landlord reasonably deems necessary as a result of Tenant's particular use of the Premises.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $2,000,000 per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance policy shall name Alexandria Real Estate Equities, Inc., and Landlord, its officers, directors, employees, managers, agents, invitees and contractors (collectively, "**Landlord Parties**"), as additional insureds. The commercial general liability insurance shall insure on an occurrence and not a claims-made basis; be issued by insurance companies which have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 10 days prior written notice shall have been given to Landlord from the insurer; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Certificates of insurance showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement which specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other

underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Notwithstanding anything to the contrary contained in this Lease, neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder regardless of the negligence of the party to the Lease receiving the benefit of the waiver, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project; provided, however, that the increased amount of coverage is consistent with coverage amounts then being required by institutional owners of similar projects with tenants occupying similar size premises in the geographical area in which the Project is located.

18. **Restoration**. If, at any time during the Term, the Project or the Premises are damaged or destroyed by a fire or other casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Project or the Premises, as applicable (the "**Restoration Period**"). If the Restoration Period is estimated to exceed 9 months (the "**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 10 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as an Operating Expense subject to the provisions of Section 5), promptly restore the Premises (including the Tenant Improvements but excluding any other improvements installed by Tenant or by Landlord and paid for by Tenant), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials (as defined in Section 30) in, on or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration or Tenant may by written notice to Landlord delivered within 10 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 75 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant. Notwithstanding the foregoing, if a portion of the Project not including the Premises is damaged, Landlord may not terminate this Lease on the basis that the Restoration Period will exceed the Maximum Restoration Period if Landlord elects to merely repair the damage rather than redevelop or improve the Project as a whole, and Landlord actually

commences construction of the repair of such damage. The Restoration Period and the Maximum Restoration Period shall not be extended by Force Majeure. In the event that the Lease terminates pursuant to the provisions of this Section 18 as a result of an earthquake, Tenant shall not be required to pay any deductibles as part of Operating Expenses in connection with such earthquake.

Tenant may, at Tenant's option, re-enter the Premises and commence doing business in accordance with this Lease upon Landlord's completion of all repairs or restoration required to be done by Landlord pursuant to this Section 18; provided, however, that Tenant shall nonetheless (and even if Tenant does not re-enter the Premises) continue to be responsible for all of its obligations under this Lease. Notwithstanding the foregoing, either Landlord or Tenant may terminate this Lease upon written notice to the other if the Premises are damaged during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage; provided, however, that such notice is delivered within 10 business days after the date that Landlord provides Tenant with written notice of the estimated Restoration Period. Landlord shall also have the right to terminate this Lease if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until either the date that this Lease is terminated pursuant to this Section 18 or the date the Premises are repaired and restored, in the proportion which the area of the Premises, if any, which is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space in the Project during the period of repair that is suitable, in Tenant's reasonable discretion, for the temporary conduct of Tenant's business. In the event that no Hazardous Material Clearances are required to be obtained by Tenant with respect to the Premises, rent abatement shall commence on the date of discovery of the damage or destruction. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation which is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would in Landlord's reasonable judgment, materially interfere with or impair Landlord's ownership or operation of the Project or would in the reasonable judgment of Landlord and Tenant either prevent or materially interfere with Tenant's use of the Premises (as resolved, if the parties are unable to agree, by arbitration by a single arbitrator with the qualifications and experience appropriate to resolve the matter and appointed pursuant to and acting in accordance with the rules of the American Arbitration Association), then upon written notice by Landlord or Tenant to the other, this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced to such extent as may be fair and reasonable under the circumstances. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a default ("Default") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant written notice and an opportunity to cure any failure to pay Rent within 3 days of any such notice not more than twice in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 20 days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 20 days after Tenant's receipt of written notice that any such lien is filed against the Premises.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief which is not dismissed within 90 days of its filing or entry; or (D) die or suffer a legal disability (if Tenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 30 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 30 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30 day period and thereafter diligently prosecutes the same to completion; provided, however, that such cure shall be completed no later than 45 days from the date of Landlord's notice.

21. **Landlord's Remedies**.

(a) **Payment By Landlord; Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to 12% per annum or the highest rate permitted by law (the "**Default Rate**"), whichever is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum equal to 6% of the overdue Rent as a late charge. Notwithstanding the foregoing, before assessing a late charge the first time in any calendar year, Landlord shall provide Tenant written notice of the delinquency and will waive the right if Tenant pays such delinquency within 5 days thereafter. The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Remedies**. Upon the occurrence of a Default, Landlord, at its option, without further notice or demand to Tenant, shall have in addition to all other rights and remedies provided in this Lease, at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

(i) Terminate this Lease, or at Landlord's option, Tenant's right to possession only, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor;

(ii) Upon any termination of this Lease, whether pursuant to the foregoing Section 21(c)(i) or otherwise, Landlord may recover from Tenant the following:

(A) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(B) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a

new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 21 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 21(c)(ii)(A) and (B), above, the "**worth at the time of award**" shall be computed by allowing interest at the Default Rate. As used in Section 21(c)(ii)(C) above, the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

(iii) Landlord may continue this Lease in effect after Tenant's Default and recover rent as it becomes due (Landlord and Tenant hereby agreeing that Tenant has the right to sublet or assign hereunder, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease following a Default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

(iv) Whether or not Landlord elects to terminate this Lease following a Default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. Upon Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

(v) Independent of the exercise of any other remedy of Landlord hereunder or under applicable law, Landlord may, upon written notice to Tenant, conduct an environmental test of the Premises as generally described in Section 30(d) hereof, at Tenant's expense.

(d) **Effect of Exercise**. Exercise by Landlord of any remedies hereunder or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, it being understood that such surrender and/or termination can be effected only by the express written agreement of Landlord and Tenant. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same and shall not be deemed a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of Rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. Following a Default by Tenant under this Lease and to the greatest extent permitted by law, Tenant waives the service of notice of Landlord's intention to re-enter, re-take or otherwise obtain possession of the Premises as provided in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge. Any reletting of the Premises or any portion thereof shall be on such terms and conditions as Landlord in its sole discretion may determine. Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished because of, Landlord's failure to relet the Premises or collect rent due in respect of such reletting or otherwise to mitigate any damages arising by reason of Tenant's Default.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof which are not actively traded upon a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 49.9% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities which were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22. Notwithstanding the foregoing, Tenant shall have the right to obtain financing from investors (including venture capital funding and corporate partners) or undergo a public offering which results in a change in control of Tenant without such change of control constituting an assignment under this Section 22 requiring Landlord consent, provided that (i) Tenant notifies Landlord in writing of the financing at least 5 business days prior to the closing of the financing, and (ii) provided that in no event shall such financing result in a change in use of the Premises from the use contemplated by Tenant at the commencement of the Term.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective (the "**Assignment Date**"), Tenant shall give Landlord a notice (the "**Assignment Notice**") containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its reasonable discretion, or (iii) terminate this Lease with respect to the space described in the Assignment Notice as of the Assignment Date (an "**Assignment Termination**") if the proposed assignment or subletting concerns more than 50% of the Premises for the remainder (or substantially all of the remainder) of the Term. Among other reasons, it shall be reasonable for Landlord to withhold its consent in any of these instances: (1) the proposed assignee or subtenant is a governmental agency; (2) in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or subtenant would entail any alterations that would lessen the value of the leasehold improvements in the Premises, or would require increased services by Landlord; (3) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in areas of scientific research or other business concerns that are controversial; (4) in Landlord's reasonable judgment, the proposed assignee or subtenant lacks the creditworthiness to support the financial obligations it will incur under the proposed assignment or sublease; (5) in Landlord's reasonable judgment, the character, reputation, or business of the proposed assignee or subtenant is inconsistent with the desired tenant-mix or the quality of other tenancies in the Project or is inconsistent with the type and quality of the nature of the Building; (6) Landlord has received from any prior landlord to the proposed assignee or subtenant a negative report concerning such prior landlord's experience with the proposed assignee or subtenant; (7) Landlord has experienced previous defaults by or is in litigation with the proposed assignee or subtenant; (8) the use of the Premises by the proposed assignee or subtenant will violate any applicable Legal Requirement; (9) the proposed assignee or subtenant, or any entity that, directly or indirectly, controls, is controlled by, or is under common control with the proposed assignee or subtenant, is then an occupant of the Project; (10) the proposed assignee or subtenant is an entity with whom Landlord is actively negotiating to lease

space in the Project; or (11) the assignment or sublease is prohibited by Landlord's lender. If Landlord delivers notice of its election to exercise an Assignment Termination, Tenant shall have the right to withdraw such Assignment Notice by written notice to Landlord of such election within 10 days after Tenant's receipt of Landlord's notice electing to exercise the Assignment Termination. If Tenant withdraws such Assignment Notice, this Lease shall continue in full force and effect. If Tenant does not withdraw such Assignment Notice, this Lease, and the term and estate herein granted, shall terminate as of the Assignment Date with respect to the space described in such Assignment Notice. No failure of Landlord to exercise any such option to terminate this Lease, or to deliver a timely notice in response to the Assignment Notice, shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee equal to One Thousand Five Hundred Dollars ($1,500) in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to a deemed assignment due to a change in control or to an assignment of this Lease or a subletting of any portion of the Premises to any entity controlling, controlled by or under common control with Tenant (a "**Control Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve the form of any such sublease or assignment (which approval shall not be unreasonably withheld or delayed). In addition, Tenant shall have the right to assign this Lease, upon 30 days prior written notice to Landlord but without obtaining Landlord's prior written consent, to a corporation or other entity which is a successor-in-interest to Tenant, by way of merger, consolidation or corporate reorganization, or by the purchase of all or substantially all of the assets or the ownership interests of Tenant provided that (i) such merger or consolidation, or such acquisition or assumption, as the case may be, is for a good business purpose and not principally for the purpose of transferring the Lease, and (ii) the net worth (as determined in accordance with generally accepted accounting principles ("**GAAP**")) of the assignee is not less than the net worth (as determined in accordance with GAAP) of Tenant as of the date of Tenant's most current quarterly or annual financial statements, and (iii) such assignee shall agree in writing to assume all of the terms, covenants and conditions of this Lease arising after the effective date of the assignment (a "**Corporate Permitted Assignment**"). Control Permitted Assignments and Corporate Permitted Assignments are hereinafter referred to as "**Permitted Assignments**." Notwithstanding anything to the contrary contained herein, Landlord shall have no right to deliver an Assignment Termination as a result of a Permitted Assignment or any notice of a Permitted Assignment from Tenant.

(c) **Additional Conditions**. As a condition to any such assignment or subletting, whether or not Landlord's consent is required, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under the Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) A list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee or subtenant in the Premises or on the Project, prior to the proposed assignment or subletting, including, without limitation: permits; approvals; reports and correspondence; storage and management plans; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); and all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any

portion(s) of the such documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. Except with respect to a Permitted Assignment, if the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form attributable to the assignment or sublease) exceeds the sum of the rental payable under this Lease, (excluding however, any Rent payable under this Section) and actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such sublease ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 10 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under the Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that, to Tenant's knowledge, there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be reasonably requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that the Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution.

24. **Quiet Enjoyment**. So long as Tenant is not in Default under this Lease, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy (the "**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (i) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant, such approval not to be unreasonably withheld or delayed. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily

completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of the Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual reasonable out-of pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $2,500. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TO THE EXTENT PERMITTED BY LAW, TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of

the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") which arise during or after the Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or the Project. Notwithstanding anything to the contrary contained in Section 28 or this Section 30, Tenant shall not be responsible for or have any liability to Landlord, and the indemnification and hold harmless obligation set forth in this paragraph shall not apply to Hazardous Materials in or about the Building or the Project, which Hazardous Materials Tenant proves to Landlord's reasonable satisfaction (i) existed prior to the Commencement Date, (ii) originated from any separately demised tenant space within the Project other than the Premises or (iii) were not brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Project by Tenant or any Tenant Party, unless in any such case, to the extent the presence of such Hazardous Materials (x) is the result of a breach by Tenant of any of its obligations under this Lease, or (y) was caused, contributed to or exacerbated by Tenant or any Tenant Party.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises by Tenant or any Tenant Party (other than products customarily used by tenants in de minimis quantities for ordinary cleaning and office purposes) and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year listing all Hazardous Materials which Tenant is required to disclose to any Governmental Authority (e.g., the fire department) in connection with its use or occupancy of the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents (the "**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements; plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature which, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the

intent of this Section to provide Landlord with information which could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

(c) **Tenant Representation and Warranty**. Tenant hereby represents and warrants to Landlord that (i) neither Tenant nor any of its legal predecessors has been required by any prior landlord, lender or Governmental Authority at any time to take remedial action in connection with Hazardous Materials contaminating a property which contamination was permitted by Tenant of such predecessor or resulted from Tenant's or such predecessor's action or use of the property in question, and (ii) Tenant is not subject to any enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority). If Landlord determines that this representation and warranty was not true as of the date of this lease, Landlord shall have the right to terminate this Lease in Landlord's sole and absolute discretion.

(d) **Testing**. Landlord shall, upon reasonable prior notice to Tenant, have the right to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises if there is violation of this Section 30 or if contamination for which Tenant is responsible under this Section 30 is identified; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, upon reasonable prior notice to Tenant, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights which Landlord may have against Tenant.

(e) **Control Areas**. Tenant shall be allowed to utilize up to its pro rata share of the Hazardous Materials inventory within any control area or zone (located within the Premises), as designated by the applicable building code, for chemical use or storage. As used in the preceding sentence, Tenant's pro rata share of any control areas or zones located within the Premises shall be determined based on the rentable square footage that Tenant leases within the applicable control area or zone. For purposes of example only, if a control area or zone contains 10,000 rentable square feet and 2,000 rentable square feet of a tenant's premises are located within such control area or zone (while such premises as a whole contains 5,000 rentable square feet), the applicable tenant's pro rata share of such control area would be 20%. Tenant shall have the use of 50% of the control area designated as control area 1.A on **Exhibit H** attached hereto and exclusive use of the control area designated as control area 1.B. on **Exhibit H**.

(f) **Underground Tanks**. If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project are used by Tenant or are hereafter placed on the Premises or the Project by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now

exists or may hereafter be adopted or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(g) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of the Lease. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials for which Tenant is responsible under this Section 30 (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(h) **Definitions**. As used herein, the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder. As used herein, the term **"Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease. Landlord shall use reasonable efforts to minimize interruption of Tenant's business during such inspections or repairs. Landlord and Landlord's representatives may enter the Premises during business hours on not less than 48 hours advance written notice (except in the case of emergencies in which case no such notice shall be required and such entry may be at any time) for the purpose of effecting any such repairs, inspecting the Premises, showing the

Premises to prospective purchasers and, during the last year of the Term, to prospective tenants or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Tenant shall at all times, except in the case of emergencies, have the right to escort Landlord or its agents, representatives, contractors or guests while the same are in the Premises, provided such escort does not materially and adversely affect Landlord's access rights hereunder.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Except for the payment of Rent, neither Tenant nor Landlord shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, sinkholes or subsidence, strikes, lockouts, or other labor disputes, embargoes, quarantines, extreme weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other similar causes or events beyond the reasonable control of such party ("**Force Majeure**").

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Cassidy Turley BRE Commercial. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker, other than the broker, if any named in this Section 35, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction. Landlord shall be responsible for all fees of Cassidy Turley BRE Commercial arising out of the execution of this Lease in accordance with the terms of a separate written agreement between Cassidy Turley BRE Commercial and Landlord.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN

LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST LANDLORD IN CONNECTION WITH THIS LEASE NOR SHALL ANY RECOURSE BE HAD TO ANY OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable.

38. **Signs; Exterior Appearance**. Tenant shall not, without the prior written consent of Landlord, which may be granted or withheld in Landlord's sole discretion: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and walls and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor walls or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants.

Landlord shall erect a new monument sign at the Building upon which the names of tenants of the Project shall be displayed ("**Monument Sign**"), which Monument Sign shall replace the monument sign located at the Project as of the date of this Lease. Tenant shall, at Tenant's sole cost and expense, have the non-exclusive right to install a sign bearing Tenant's name on the Monument Sign as shown on **Exhibit G**. Tenant acknowledges and agrees that Tenant's signage on the Monument Sign including, without limitation, the location, size, color and type, shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld and shall be subject to and consistent with Landlord's signage program at the Project and applicable Legal Requirements. Tenant shall be responsible, at Tenant's sole cost and expense, for the maintenance of Tenant's signage on the Monument Sign, for the removal of Tenant's signage from the Monument Sign at the expiration or earlier termination of this Lease and for the repair of all damage resulting from such removal.

39. **Right to Extend Term**. Tenant shall have the right to extend the Term of the Lease upon the following terms and conditions:

(a) **Extension Rights**. Tenant shall have 1 right (an "**Extension Right**") to extend the term of this Lease from the expiration date of the Base Term through October 31, 2019 (an "**Extension Term**") on the same terms and conditions as this Lease (other than with respect to Base Rent and the Work Letter) by giving Landlord written notice of its election to exercise such Extension Right at least 9 months prior, and no earlier than 12 months prior, to the expiration of the Base Term of the Lease.

Upon the commencement of the Extension Term, Base Rent shall be payable at the Market Rate (as defined below). Base Rent shall thereafter be adjusted on each annual anniversary of the commencement of such Extension Term by a percentage as determined by Landlord and agreed to by Tenant at the time the Market Rate is determined. As used herein, "**Market Rate**" shall mean the then market rental rate as determined by Landlord and agreed to by Tenant, which shall in no event be less than the Base Rent payable as of the date immediately preceding the commencement of such Extension Term increased by the Rent Adjustment Percentage multiplied by such Base Rent.

If, on or before the date which is 180 days prior to the expiration of the Base Term of this Lease, Tenant has not agreed with Landlord's determination of the Market Rate and the rent escalations during the Extension Term after negotiating in good faith, Tenant shall be deemed to have elected arbitration as described in Section 39(b). Tenant acknowledges and agrees that, if Tenant has elected to exercise the Extension Right by delivering notice to Landlord as required in this Section 39(a), Tenant shall have no right thereafter to rescind or elect not to extend the term of the Lease for the Extension Term.

(b) **Arbitration**.

(i) Within 10 days of Tenant's notice to Landlord of its election (or deemed election) to arbitrate Market Rate and escalations, each party shall deliver to the other a proposal containing the Market Rate and escalations that the submitting party believes to be correct ("**Extension Proposal**"). If either party fails to timely submit an Extension Proposal, the other party's submitted proposal shall determine the Base Rent and escalations for the Extension Term. If both parties submit Extension Proposals, then Landlord and Tenant shall meet within 7 days after delivery of the last Extension Proposal and make a good faith attempt to mutually appoint a single Arbitrator (and defined below) to determine the Market Rate and escalations. If Landlord and Tenant are unable to agree upon a single Arbitrator, then each shall, by written notice delivered to the other within 10 days after the meeting, select an Arbitrator. If either party fails to timely give notice of its selection for an Arbitrator, the other party's submitted proposal shall determine the Base Rent for the Extension Term. The 2 Arbitrators so appointed shall, within 5 business days after their appointment, appoint a third Arbitrator. If the 2 Arbitrators so selected cannot agree on the selection of the third Arbitrator within the time above specified, then either party, on behalf of both parties, may request such appointment of such third Arbitrator by application to any state court of general jurisdiction in the jurisdiction in which the Premises are located, upon 10 days prior written notice to the other party of such intent.

(ii) The decision of the Arbitrator(s) shall be made within 30 days after the appointment of a single Arbitrator or the third Arbitrator, as applicable. The decision of the single Arbitrator shall be final and binding upon the parties. The average of the two closest Arbitrators in a three Arbitrator panel shall be final and binding upon the parties. Each party shall pay the fees and expenses of the Arbitrator appointed by or on behalf of such party and the fees and expenses of the third Arbitrator shall be borne equally by both parties. If the Market Rate and escalations are not determined by the first day of the Extension Term, then Tenant shall pay Landlord Base Rent in an amount equal to the Base Rent in effect immediately prior to the Extension Term and increased by the Rent Adjustment Percentage until such determination is made. After the determination of the Market Rate and escalations, the parties shall make any necessary adjustments to such payments made by Tenant. Landlord and Tenant shall then execute an amendment recognizing the Market Rate and escalations for the Extension Term.

(iii) An "**Arbitrator**" shall be any person appointed by or on behalf of either party or appointed pursuant to the provisions hereof and: (i) shall be (A) a member of the American Institute of Real Estate Appraisers with not less than 10 years of experience in the appraisal of improved office and high tech industrial real estate in the greater San Diego metropolitan area, or (B) a licensed commercial real estate broker with not less than 15 years experience representing landlords and/or tenants in the leasing of high tech or life sciences space in the greater San Diego metropolitan area, (ii) devoting substantially all of their time to professional appraisal or

brokerage work, as applicable, at the time of appointment and (iii) be in all respects impartial and disinterested.

(c) **Rights Personal**. The Extension Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in the, except that it may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, the Extension Right shall, at Landlord's option, not be in effect and Tenant may not exercise the Extension Right:

(i) during any period of time that Tenant is in Default under any provision of this Lease; or

(ii) if Tenant has been in Default under any provision of this Lease 3 or more times, whether or not the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise the Extension Right, whether or not the Defaults are cured.

(e) **No Extensions**. The period of time within which the Extension Right may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Right.

(f) **Termination**. The Extension Right shall, at Landlord's option, terminate and be of no further force or effect even after Tenant's due and timely exercise of the Extension Right, if, after such exercise, but prior to the commencement date of the Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Extension Right to the date of the commencement of the Extension Term, whether or not such Defaults are cured.

40. **LEED Certification**. Tenant agrees to cooperate with Landlord and to comply with measures reasonably implemented by Landlord with respect to the Building and/or the Project in connection with Landlord's efforts to obtain a Leadership in Energy and Environmental Design (LEED) certificate for the Project. Any measure implemented in accordance with the foregoing will be at minimal or no cost to Tenant. Tenant shall have the right, at its sole discretion and at Tenant's sole cost and expense, to pursue LEED certification on the Tenant Improvements.

41. **Satellite Dish**. Tenant shall have the right at its sole cost and expense, subject to compliance with all Legal Requirements, to install, maintain, and remove on the top of the roof of the Building, in a located designated by Landlord, one satellite dish (having a diameter of up to 20 inches and weighing up to 50 pounds) for the transmission or reception of communication of signals as Tenant may from time to time desire, including ancillary cabling to connect such equipment to the Premises ("Satellite Dish") on the following terms and conditions:

(a) **Requirements**. Tenant shall submit to Landlord (i) the plans and specifications for the installation of the Satellite Dish, (ii) copies of all required governmental and quasi-governmental permits, licenses, and authorizations that Tenant will and must obtain at its own expense, with the cooperation of Landlord, if necessary for the installation and operation of the Satellite Dish, and (iii) an insurance policy or certificate of insurance evidencing insurance coverage as required by this Lease and any other insurance as reasonably required by Landlord for the installation and operation of the Satellite Dish. Landlord shall not unreasonably withhold or delay its approval for the installation and operation of the Satellite Dish; provided, however, that Landlord may reasonably withhold its approval if the installation or operation of the Satellite Dish (A) may damage the structural integrity of the Building, (B) may void, terminate, or invalidate any applicable roof warranty, (C) may interfere with any service provided by Landlord or any tenant of the Building, (D) may reduce the leaseable space in the Building, or (E) is not properly screened from the viewing public.

(b) **No Damage to Roof**. If installation of the Satellite Dish requires Tenant to make any roof cuts or perform any other roofing work, such cuts shall only be made to the roof area of the Building located directly above the Premises and only in the manner designated in writing by Landlord; and any such installation work (including any roof cuts or other roofing work) shall be performed by Tenant, at Tenant's sole cost and expense by a roofing contractor designated by Landlord. If Tenant or its agents shall otherwise cause any damage to the roof during the installation, operation, and removal of the Satellite Dish such damage shall be repaired promptly at Tenant's expense and the roof shall be restored in the same condition it was in before the damage. Landlord shall not charge Tenant Additional Rent for the installation and use of the Satellite Dish. If, however, Landlord's insurance premium or Tax assessment increases as a result of the Satellite Dish, Tenant shall pay such increase as Additional Rent within ten (10) days after receipt of a reasonably detailed invoice from Landlord. Tenant shall not be entitled to any abatement or reduction in the amount of Rent payable under this Lease if for any reason Tenant is unable to use the Satellite Dish. In no event whatsoever shall the installation, operation, maintenance, or removal of the Satellite Dish by Tenant or its agents void, terminate, or invalidate any applicable roof warranty.

(c) **Protection**. The installation, operation, and removal of the Satellite Dish shall be at Tenant's sole risk. Tenant shall indemnify, defend, and hold Landlord harmless from and against any and all claims, costs, damages, liabilities and expenses (including, but not limited to, attorneys' fees) of every kind and description that may arise out of or be connected in any way with Tenant's installation, operation, or removal of the Satellite Dish.

(d) **Removal**. At the expiration or earlier termination of this Lease or the discontinuance of the use of the Satellite Dish by Tenant, Tenant shall, at its sole cost and expense, remove the Satellite Dish from the Building. Tenant shall leave the portion of the roof where the Satellite Dish was located in good order and repair, reasonable wear and tear excepted. If Tenant does not so remove the Satellite Dish, Tenant hereby authorizes Landlord to remove and dispose of the Satellite Dish and charge Tenant as Additional Rent for all costs and expenses incurred by Landlord in such removal and disposal. Tenant agrees that Landlord shall not be liable for any Satellite Dish or related property disposed of or removed by Landlord.

(e) **No Interference**. The Satellite Dish shall not interfere with the proper functioning of any telecommunications equipment or devices that have been installed or will be installed by Landlord or for any other tenant or future tenant of the Building. Tenant acknowledges that other tenant(s) may have approval rights over the installation and operation of telecommunications equipment and devices on or about the roof, and that Tenant's right to install and operate the Satellite Dish is subject and subordinate to the rights of such other tenants. Tenant agrees that any other tenant of the Building that currently has or in the future takes possession of any portion of the Building will be permitted to install such telecommunication equipment that is of a type and frequency that will not cause unreasonable interference to the Satellite Dish.

(f) **Relocation**. Landlord shall have the right, at its expense and after 60 days prior notice to Tenant, to relocate the Satellite Dish to another site on the roof of the Building as long as such site reasonably meets Tenant's sight line and interference requirements and does not unreasonably interfere with Tenant's use and operation of the Satellite Dish.

(g) **Access**. Landlord grants to Tenant the right of ingress and egress on a 24 hour 7 day per week basis to install, operate, and maintain the Satellite Dish. Before receiving access to the roof of the Building, Tenant shall give Landlord at least 24 hours' advance written or oral notice, except in emergency situations, in which case 2 hours' advance oral notice shall be given by Tenant. Landlord shall supply Tenant with the name, telephone, and pager numbers of the contact individual(s) responsible for providing access during emergencies.

(h) **Appearance**. If permissible by Legal Requirements, the Satellite Dish shall be painted the same color as the Building so as to render the Satellite Dish virtually invisible from ground level.

(i) **No Assignment**. The right of Tenant to use and operate the Satellite Dish shall be personal solely to Wellspring Biosciences LLC, except that it may be assigned in connection with any Permitted Assignment of this Lease, and (i) no other person or entity shall have any right to use or operate the Satellite Dish, and (ii) except in connection with a Permitted Assignment, Tenant shall not assign, convey, or otherwise transfer to any person or entity any right, title, or interest in all or any portion of the Satellite Dish or the use and operation thereof.

42. **Alternative Premises**. If at any time during the Term of this Lease, Tenant is considering leasing additional or alternative space in the San Diego area, Tenant shall deliver written notice ("**Premises Notice**") to Landlord, which Premises Notice shall include a description of the additional or alternative space desired by Tenant. For a period of 30 days following Tenant's delivery of the Premises Notice to Landlord ("**Exclusive Period**"), Tenant agrees that Landlord shall have the exclusive right, if it so elects and without any obligation to do so, to offer Tenant additional or alternative premises which satisfy in part or in its entirety the premises being sought by Tenant ("**Alternative Premises**") on market terms at the Project or, if Landlord so elects, at another property in the San Diego area owned or controlled by an entity controlled by, under common control with, or controlling Landlord including, without limitation, any of the constituent members of Landlord or Alexandria Real Estate Equities, Inc. (any such entity, an "**Affiliate**"). Landlord and/or any Affiliate, as the case may be, shall have the right, if it so elects and without any obligation to do so, to acquire a new project or redevelop any existing project it then owns to provide the Alternative Premises. Tenant shall consider in good faith any Alternative Premises offered to Tenant by Landlord (or its Affiliate) during the Exclusive Period. If Landlord (or its Affiliate) and Tenant identify an Alternative Premises acceptable to Tenant, Landlord (or its Affiliate) and Tenant shall use good faith efforts to negotiate and enter into a new lease for such Alternative Premises. If Landlord (or its Affiliate) and Tenant are negotiating a lease as of the expiration of the Exclusive Period, the Exclusive Period shall be extended through the earlier to occur of (i) the date that Landlord (or its Affiliate) and Tenant enter into a new lease, or (ii) the date that negotiations between Landlord (or its Affiliate) and Tenant terminate. Such new lease shall, if entered into, otherwise be upon terms and conditions acceptable to Landlord or Affiliate, as the case may be, and Tenant in their respective good faith sole discretion. The provisions of this Section 42 shall only apply so long as ARE-SD Region No. 24, LLC, or an Affiliate is the owner of the Project.

43. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "**Tenant**," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Financial Information**. Upon Landlord's request, Tenant shall furnish Landlord with true and complete copies of (i) Tenant's most recent audited annual financial statements within 180 days of the end of each of Tenant's fiscal years during the Term, (ii) Tenant's most recent unaudited quarterly financial statements within 60 days of the end of each of Tenant's first three fiscal quarters of each of Tenant's fiscal years during the Term, (iii) at Landlord's request from time to time, updated business plans, including cash flow projections and/or pro forma balance sheets and income statements, all of which shall be treated by Landlord as confidential information belonging to Tenant, (iv) corporate brochures and/or profiles prepared by Tenant for prospective investors, and (v) any other financial information or summaries that Tenant typically provides to its lenders or shareholders. So long as Tenant is a "public company" and its financial information is publicly available, then the foregoing delivery requirements of this Section 43(c) shall not apply. Landlord shall treat Tenant's financial information as confidential information belonging to Tenant. Landlord may, however, disclose Tenant's financial

information to Landlord's auditors, attorneys, consultants, lenders and prospective purchasers; provided, however, that Landlord advises such parties of the confidentiality of such information. Notwithstanding the foregoing, in no event shall Tenant be required to provide any financial information to Landlord which Tenant does not otherwise prepare (or cause to be prepared) for its own purposes.

(d) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant in any public record. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(e) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(f) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(g) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(h) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(i) **Time**. Time is of the essence as to the performance of Tenant's obligations under this Lease.

(j) **OFAC**. Tenant, and all beneficial owners of Tenant, are currently (a) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(k) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

(l) **Entire Agreement**. This Lease, including the exhibits attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, letters of intent, negotiations and

discussions, whether oral or written, of the parties, and there are no warranties, representations or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein.

(m) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(n) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises which, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

(o) **Redevelopment of Project**. Tenant acknowledges that Landlord, in its sole discretion, may, subject to the terms of the second sentence of Section 1 of this Lease, from time to time expand, renovate and/or reconfigure the Project as the same may exist from time to time and, in connection therewith or in addition thereto, as the case may be, from time to time without limitation: (a) change the shape, size, location, number and/or extent of any improvements, buildings, structures, lobbies, hallways, entrances, exits, parking and/or parking areas relative to any portion of the Project; (b) modify, eliminate and/or add any buildings, improvements, and parking structure(s) either above or below grade, to the Project, the Common Areas and/or any other portion of the Project and/or make any other changes thereto affecting the same; and (c) make any other changes, additions and/or deletions in any way affecting the Project and/or any portion thereof as Landlord may elect from time to time, including without limitation, additions to and/or deletions from the land comprising the Project, the Common Areas and/or any other portion of the Project. Notwithstanding anything to the contrary contained in this Lease, Tenant shall have no right to seek damages (including abatement of Rent) or to cancel or terminate this Lease because of any proposed changes, expansion, renovation or reconfiguration of the Project nor shall Tenant have the right to restrict, inhibit or prohibit any such changes, expansion, renovation or reconfiguration; provided, however, Landlord shall not change the size, dimensions, location or Tenant's Permitted Use of the Premises.

(p) **Discontinued Use**. If, at any time following the Rent Commencement Date, Tenant (or an assignee or subtenant of Tenant pursuant to Section 22) does not continuously operate its business in the Premises for a period of 180 consecutive days, Landlord may, but is not obligated to, elect to terminate this Lease upon 30 days' written notice to Tenant, whereupon this Lease shall terminate 30 days' after Landlord's delivery of such written notice ("**Termination Date**"), and Tenant shall vacate the Premises and deliver possession thereof to Landlord in the condition required by the terms of this Lease on or before the Termination Date and Tenant shall have no further obligations under this Lease except for those accruing prior to the Termination Date and those which, pursuant to the terms of the Lease, survive the expiration or early termination of the Lease.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: /s/ Heidi Henson
Its: CFO

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Eric S. Johnson
Its: Vice President, Real Estate Legal Affairs

EXHIBIT A TO LEASE

DESCRIPTION OF PREMISES

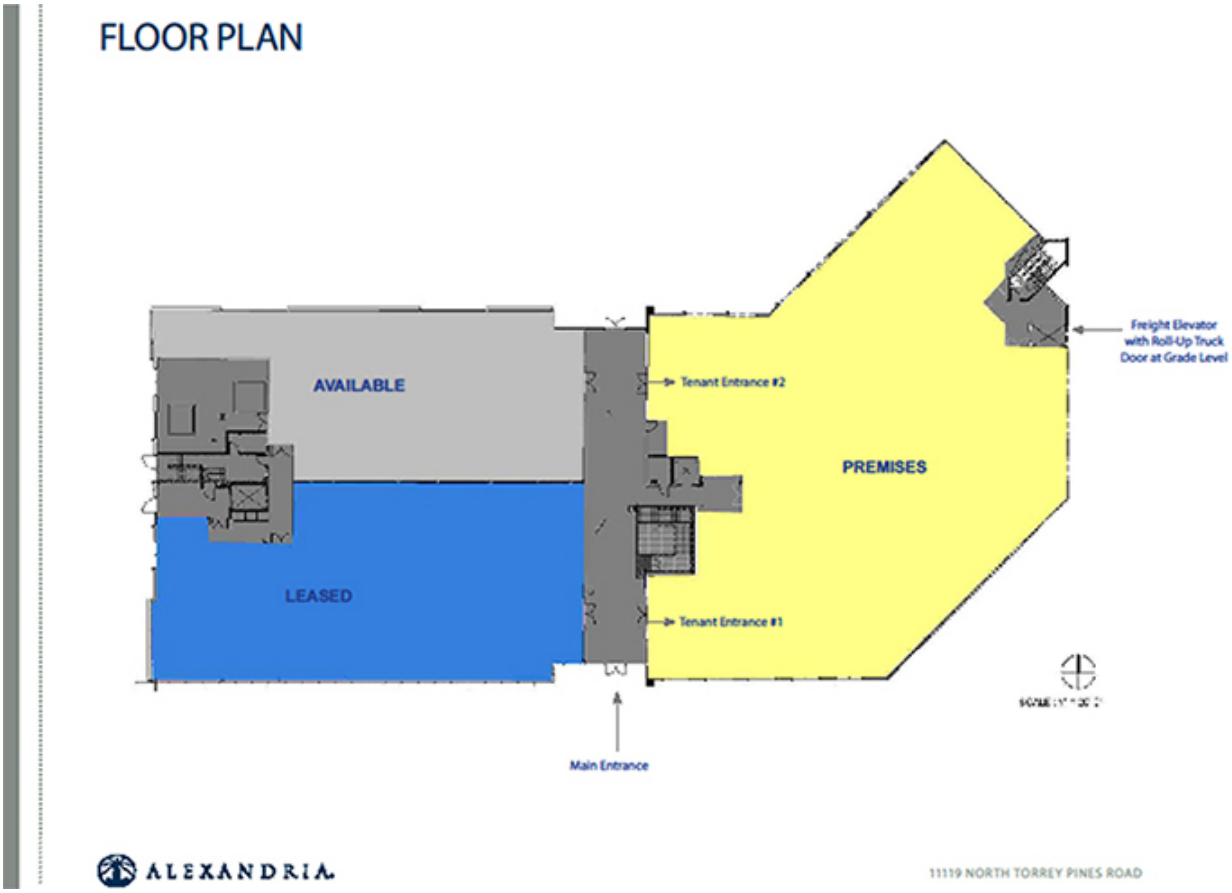


EXHIBIT B TO LEASE

DESCRIPTION OF PROJECT

EXHIBIT C TO LEASE

WORK LETTER

THIS WORK LETTER (this "**Work Letter**") is incorporated into that certain Lease Agreement (the "**Lease**") dated as of March 1, 2013 by and between **ARE-SD REGION NO. 24, LLC**, a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company ("**Tenant**"). Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. **General Requirements**.

(a) **Tenant's Authorized Representative**. Tenant designates Heidi Henson and Anna Nadolski (either such individual acting alone, "**Tenant's Representative**") as the only persons authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change either Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord. Neither Tenant nor Tenant's Representative shall be authorized to direct Landlord's contractors in the performance of Landlord's Work (as hereinafter defined).

(b) **Landlord's Authorized Representative**. Landlord designates Thomas Brennan and Rodney Hunt (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant. Landlord's Representative shall be the sole persons authorized to direct Landlord's contractors in the performance of Landlord's Work.

(c) **Architects, Consultants and Contractors**. Landlord and Tenant hereby acknowledge and agree that: (i) the general contractor shall be BN Builders, subject to Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) DGA shall be the architect (the "**TI Architect**") for the Tenant Improvements.

2. **Tenant Improvements**.

(a) **Definition of Tenant Improvements**. As used herein, the term "**Tenant Improvements**" shall mean all improvements to the Building as shown on the mutually agreeable TI Construction Drawings (as defined in Section 2(c) below). Notwithstanding anything to the contrary contained in this Work Letter, (i) Landlord shall cause, at Landlord's sole cost and expense, the remediation prior to the Commencement Date, in a manner acceptable to Landlord in its sole and absolute discretion and otherwise in compliance with Legal Requirements, of Hazardous Materials discovered in the Premises during the construction of Landlord's Work requiring remediation and (ii) Landlord shall not request the performance of any overtime labor without Tenant's prior approval, which approval shall not be unreasonably withheld or delayed. Tenant shall not be required to remove or restore the Landlord's Work at the expiration or earlier termination of the Lease.

(b) **Tenant's Space Plans**. Landlord and Tenant acknowledge and agree that the Tenant Improvement Specifications attached hereto as Annex 1 ("**Tenant Improvement Specifications**") and the space plan prepared by the TI Architect attached hereto as Annex 2 (the "**Space Plan**") have been approved by both Landlord and Tenant

(c) **Working Drawings**. Landlord shall cause the TI Architect to prepare and deliver to Tenant for review and comment construction plans, specifications and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared substantially in accordance with the Space Plan and Tenant Improvement Specifications. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Tenant shall deliver its written comments on the TI Construction Drawings to Landlord not later than 10 business days after Tenant's receipt of the same; provided, however, that Tenant may not disapprove any matter that is consistent with the Space Plan and Tenant Improvement Specifications without submitting a Change Request. Landlord and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Tenant how Landlord proposes to respond to such comments, but Tenant's review rights pursuant to the foregoing sentence shall not delay the design or construction schedule for the Tenant Improvements. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the Space Plan and Tenant Improvement Specifications, Tenant shall approve the TI Construction Drawings submitted by Landlord, unless Tenant submits a Change Request. Once approved by Tenant, subject to the provisions of Section 4 below, Landlord shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(b) below).

(d) **Approval and Completion**. It is hereby acknowledged by Landlord and Tenant that the TI Construction Drawings must be completed and approved not later than March 22, 2013, in order for the Landlord's Work to be Substantially Complete by the Target Commencement Date (as defined in the Lease). Upon any dispute regarding the design of the Tenant Improvements, which is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable out of the TI Fund (as defined in Section 5(d) below), and (iii) Tenant's decision will not affect the base Building, structural components of the Building or any Building systems. Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of Landlord's Work**.

(a) **Definition of Landlord's Work**. As used herein, the term "**Landlord's Work**" shall mean the work of constructing the Tenant Improvements.

(b) **Commencement and Permitting**. Landlord shall commence construction of the Tenant Improvements upon obtaining a building permit (the "**TI Permit**") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Tenant. The cost of obtaining the TI Permit shall be payable from the TI Fund. Tenant shall reasonably assist Landlord in obtaining the TI Permit. If any Governmental Authority having jurisdiction over the construction of Landlord's Work or any portion thereof shall impose terms or conditions upon the construction thereof that: (i) are inconsistent with Landlord's obligations hereunder, (ii) increase the cost of constructing Landlord's Work, or (iii) will materially delay the construction of Landlord's Work, Landlord and Tenant shall reasonably and in good faith seek means by which to mitigate or eliminate any such adverse terms and conditions.

(c) **Completion of Landlord's Work**. On or before the Target Commencement Date (subject to Tenant Delays and Force Majeure delays), Landlord shall substantially complete or cause to be substantially completed Landlord's Work in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal "punch list" items of a non-material nature that do not interfere with the Tenant's Permitted Use of the Premises ("**Substantial Completion**" or "**Substantially Complete**"). Notwithstanding the foregoing, the Landlord's Work shall not be considered Substantially Complete unless and until Landlord has obtained a certificate or temporary certificate of

occupancy (or its equivalent) for the Premises permitting lawful occupancy of the Premises (but specifically excluding any permits, licenses or other governmental approvals required to be obtained in connection with Tenant's operations in the Premises). Upon Substantial Completion of Landlord's Work, Landlord shall require the TI Architect and the general contractor to execute and deliver, for the benefit of Tenant and Landlord, a Certificate of Substantial Completion in the form of the American Institute of Architects ("**AIA**") document G704. For purposes of this Work Letter, "**Minor Variations**" shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comply with any request by Tenant for modifications to Landlord's Work; (iii) to comport with good design, engineering, and construction practices that are not material; or (iv) to make reasonable adjustments for field deviations or conditions encountered during the construction of Landlord's Work.

(d) **Selection of Materials**. Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Landlord and Tenant, the option will be selected at Landlord's reasonable discretion. As to all building materials and equipment that Landlord is obligated to supply under this Work Letter, Landlord shall select the manufacturer thereof in its reasonable discretion unless a manufacturer is specified in the approved TI Construction Drawings.

(e) **Delivery of the Premises**. When Landlord's Work is Substantially Complete, subject to the remaining terms and provisions of this Section 3(e), Tenant shall accept the Premises. Tenant's taking possession and acceptance of the Premises shall not constitute a waiver of: (i) any warranty with respect to workmanship (including installation of equipment) or material (exclusive of equipment provided directly by manufacturers), (ii) any non-compliance of Landlord's Work with applicable Legal Requirements, or (iii) any claim that Landlord's Work was not completed substantially in accordance with the TI Construction Drawings (subject to Minor Variations and such other changes as are permitted hereunder) (collectively, a "**Construction Defect**"). Tenant shall have one year after Substantial Completion within which to notify Landlord of any such Construction Defect discovered by Tenant, and Landlord shall use reasonable efforts to remedy or cause the responsible contractor to remedy any such Construction Defect within 30 days thereafter. Notwithstanding the foregoing, Landlord shall not be in default under the Lease if the applicable contractor, despite Landlord's reasonable efforts, fails to remedy such Construction Defect within such 30-day period, in which case Landlord shall have no further obligation with respect to such Construction Defect other than to cooperate, at no cost to Landlord, with Tenant should Tenant elect to pursue a claim against such contractor.

Tenant shall be entitled to receive the benefit of all construction warranties and manufacturer's equipment warranties relating to equipment installed in the Premises. If requested by Tenant, Landlord shall attempt to obtain extended warranties from manufacturers and suppliers of such equipment, but the cost of any such extended warranties shall be borne solely out of the TI Fund. Landlord shall promptly undertake and complete, or cause to be completed, all punch list items.

(f) **Commencement Date Delay**. Except as otherwise provided in the Lease, Delivery of the Premises shall occur when Landlord's Work has been Substantially Completed, except to the extent that completion of Landlord's Work shall have been actually delayed by any one or more of the following causes ("**Tenant Delay**"):

(i) Tenant's Representative was not reasonably available to give or receive any Communication or to take any other action required to be taken by Tenant hereunder;

(ii) Tenant's request for Change Requests (as defined in Section 4(a) below) whether or not any such Change Requests are actually performed;

(iii) Construction of any Change Requests;

(iv) Tenant's request for materials, finishes or installations requiring unusually long lead times;

(v) Tenant's delay in reviewing, revising or approving plans and specifications beyond the periods set forth herein;

(vi) Tenant's delay in providing information critical to the normal progression of the Project. Tenant shall provide such information as soon as reasonably possible, but in no event longer than one week after receipt of any request for such information from Landlord;

(vii) Tenant's delay in making payments to Landlord for Excess TI Costs (as defined in Section 5(d) below); or

(viii) Any other act or omission by Tenant or any Tenant Party (as defined in the Lease), or persons employed by any of such persons that continues for more than 1 day after Landlord's notice thereof to Tenant.

If Delivery is delayed for any of the foregoing reasons, then Landlord shall cause the TI Architect to certify the date on which the Tenant Improvements would have been Substantially Completed but for such Tenant Delay and such certified date shall be the date of Delivery. Upon request, Landlord shall advise Tenant of any materials, finishes or installation which are required as part of any Change Request that will result in unusually long lead times.

4. **Changes**. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the Space Plan shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord and the TI Architect, such approval not to be unreasonably withheld, conditioned or delayed.

(a) **Tenant's Request For Changes**. If Tenant shall request changes to the Tenant Improvements ("**Changes**"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall, before proceeding with any Change, use commercially reasonable efforts to respond to Tenant as soon as is reasonably possible with an estimate of: (i) the time it will take, and (ii) the architectural and engineering fees and costs that will be incurred, to analyze such Change Request (which costs shall be paid from the TI Fund to the extent actually incurred, whether or not such change is implemented). Landlord shall thereafter submit to Tenant in writing, within 5 business days of receipt of the Change Request (or such longer period of time as is reasonably required depending on the extent of the Change Request), an analysis of the additional cost or savings involved, including, without limitation, architectural and engineering costs and the period of time, if any, that the Change will extend the date on which Landlord's Work will be Substantially Complete. Any such delay in the completion of Landlord's Work caused by a Change and specified in the approved Change Request (as extended, if applicable, by Force Majeure delays and additional Tenant Delays), including any suspension of Landlord's Work while any such Change is being evaluated and/or designed, shall be Tenant Delay.

(b) **Implementation of Changes**. If Tenant: (i) approves in writing the cost or savings and the estimated extension in the time for completion of Landlord's Work, if any, and (ii) deposits with Landlord any Excess TI Costs required in connection with such Change, Landlord shall cause the approved Change to be instituted. Notwithstanding any approval or disapproval by Tenant of any estimate of the delay caused by such proposed Change, the TI Architect's determination of the amount of Tenant Delay in connection with such Change shall be final and binding on Landlord and Tenant.

5. **Costs**.

(a) **Budget For Tenant Improvements**. Before the commencement of construction of the Tenant Improvements, Landlord shall obtain and submit to Tenant for approval (which approval shall not be unreasonably withheld, conditioned or delayed) a detailed breakdown by trade of the costs incurred or that will be incurred in connection with the design and construction of the Tenant Improvements (as approved by Tenant, the "**Budget**"). The Budget may be amended from time to time but shall be submitted to Tenant each time for its approval which approval shall not be unreasonably withheld, conditioned or delayed. The Budget shall be based upon the TI Construction Drawings approved by Tenant and shall include a payment to Landlord of administrative rent ("**Administrative Rent**") equal to 1% of the TI Costs for monitoring and inspecting the construction of the Tenant Improvements and Changes, which sum shall be payable from the TI Fund (as defined in Section 5(d). Administrative Rent shall include, without limitation, all out-of-pocket costs, expenses and fees incurred by or on behalf of Landlord arising from, out of, or in connection with monitoring the construction of the Tenant Improvements and Changes, and shall be payable out of the TI Fund. If the Budget is greater than the TI Allowance, Tenant shall deposit with Landlord the difference, in cash, prior to the commencement of construction of the Tenant Improvements or Changes, for disbursement by Landlord as described in Section 5(d).

(b) **TI Allowance**. Landlord shall provide to Tenant a tenant improvement allowance (the "**TI Allowance**") of $180 per rentable square foot of the Premises, or $3,075,660 in the aggregate. The TI Allowance shall be disbursed in accordance with this Work Letter.

Except as otherwise provided in Section 5(c) below, Tenant shall have no right to the use or benefit (including any reduction to or payment of Base Rent) of any portion of the TI Allowance not required for the construction of (i) the Tenant Improvements described in the TI Construction Drawings approved pursuant to Section 2(d) or (ii) any Changes pursuant to Section 4.

(c) **Costs Includable in TI Fund**. The TI Fund shall be used solely for the payment of design, permits and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, a portion of the cost (as designated in the Budget) of the construction and rating of the demising walls shown as being provided by Tenant on **Exhibit H** of the Lease, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the Space Plan and the TI Construction Drawings, all costs set forth in the Budget, including Landlord's Administrative Rent, Landlord's out-of-pocket expenses, costs resulting from Tenant Delays and the cost of Changes (collectively, "**TI Costs**"). Notwithstanding anything to the contrary contained herein, the TI Fund shall not be used to purchase any furniture, personal property or other non-Building system materials or equipment, including, but not limited to, Tenant's voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements; provided, however, that if any portion of the TI Allowance remains unused after payment in full of the Tenant Improvements, Tenant may utilize such excess funds for the purchase and installation of furniture, installing Tenant's name on the Monument Sign, Tenant's voice or data cabling, non-ducted biological safety cabinets and other scientific equipment not incorporated into the Tenant Improvements and other items as reasonably approved by Landlord, which items shall be the property of Landlord and shall not be removed from the Premises by Tenant during the Term of the Lease or at the expiration or earlier termination of the Lease.

(d) **Excess TI Costs**. Landlord shall have no obligation to bear any portion of the cost of any of the Tenant Improvements except to the extent of the TI Allowance, and otherwise expressly provided for in this Work Letter. If at any time the remaining TI Costs under the Budget exceed the remaining unexpended TI Allowance, Tenant shall deposit with Landlord, as a condition precedent to Landlord's obligation to complete the Tenant Improvements, 100% of the then current TI Cost in excess of the remaining TI Allowance ("**Excess TI Costs**"). If Tenant fails to deposit any Excess TI Costs with Landlord, Landlord shall have all of the rights and remedies set forth in the Lease for nonpayment of Rent (including, but not limited to, the right to interest at the Default Rate and the right to assess a late charge).

For purposes of any litigation instituted with regard to such amounts, those amounts will be deemed Rent under the Lease. The TI Allowance and Excess TI Costs are herein referred to as the "**TI Fund**." Funds deposited by Tenant shall be the first disbursed to pay TI Costs. Notwithstanding anything to the contrary set forth in this Section 5(d), Tenant shall be fully and solely liable for TI Costs and the cost of Minor Variations in excess of the TI Allowance. If upon completion of the Tenant Improvements and the payment of all sums due in connection therewith there remains any undisbursed portion of the TI Fund, Tenant shall be entitled to such undisbursed TI Fund solely to the extent of any Excess TI Costs deposit Tenant has actually made with Landlord.

6. **Tenant Access**.

(a) **Tenant's Access Rights**. Landlord hereby agrees to permit Tenant access, at Tenant's sole risk and expense, to the Building (i) 14 days prior to the Commencement Date to perform any work ("**Tenant's Work**") required by Tenant other than Landlord's Work, provided that such Tenant's Work is coordinated with the TI Architect and the general contractor, and complies with the Lease and all other reasonable restrictions and conditions Landlord may impose, and (ii) prior to the completion of Landlord's Work, to inspect and observe work in process; all such access shall be during normal business hours or at such other times as are reasonably designated by Landlord. Notwithstanding the foregoing, Tenant shall have no right to enter onto the Premises or the Project unless and until Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that any insurance reasonably required by Landlord in connection with such pre-commencement access (including, but not limited to, any insurance that Landlord may require pursuant to the Lease) is in full force and effect. Any entry by Tenant shall comply with all established safety practices of Landlord's contractor and Landlord until completion of Landlord's Work and acceptance thereof by Tenant.

(b) **No Interference**. Neither Tenant nor any Tenant Party (as defined in the Lease) shall interfere with the performance of Landlord's Work, nor with any inspections or issuance of final approvals by applicable Governmental Authorities, and upon any such interference, Landlord shall have the right to exclude Tenant and any Tenant Party from the Premises and the Project until Substantial Completion of Landlord's Work.

(c) **No Acceptance of Premises**. The fact that Tenant may, with Landlord's consent, enter into the Project prior to the date Landlord's Work is Substantially Complete for the purpose of performing Tenant's Work shall not be deemed an acceptance by Tenant of possession of the Premises, but in such event Tenant shall defend with counsel reasonably acceptable by Landlord, indemnify and hold Landlord harmless from and against any loss of or damage to Tenant's property, completed work, fixtures, equipment, materials or merchandise, and from liability for death of, or injury to, any person, caused by the act or omission of Tenant or any Tenant Party.

7. **Miscellaneous**.

(a) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, unless expressly set forth herein to the contrary.

(b) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

Schedule 1 to Work Letter

Tenant Improvement Specifications

11119 North Torrey Pines Road -
December 18, 2012

TENANT IMPROVEMENTS SPECIFICATIONS

State and Local Code Compliance

Design and construction shall conform to all Federal, State and Local building codes and ordinances to include but not limited to the most current version of the following documents:

- 2010 California Building Code
- 2010 California Plumbing Code
- 2010 California Mechanical Code
- 2010 California Energy Code
- 2009 National Electric Code/ 2010 California Electric Code
- 2008 Title 24, California Energy Efficiency Standards
- 2010 California Fire Code
- 2010 California Green Building Standards Code
- California Division of Occupational Safety and Health
- San Diego Municipal Code

LEED Certification Guidelines for Tenant

Tenant agrees to design their suite improvements to comply, at a minimum with LEED Silver Certification requirements with specific emphasis on the Energy and Water Conservation categories noted below.

ARCHITECTURAL IMPROVEMENTS

Interior Partitions	Metal stud and drywall partitions per tenant's floor plan requirements.
	3-5/8" studs typical, gauge and spacing as required by code, and Type X, 5/8" drywall
	Standard Interior Partitions penetrate ceiling grid 6"
	Full height partitions to underside of structure at demising locations or where sound/security requirements occur
	Fire rated assemblies as required by code, full height, tunnel or shaft wall construction as approved by local building officials
	Backing required in any walls where casework, appliances, equipment or fixtures will be mounted
	Coordinate with structural engineer to determine any specialty requirements for heavy loads.
	Smooth drywall finish to Level 4
Insulation	Batt insulation within wall cavity as required for sound control.
Doors, Frames & Hardware	Offices/ General Use Areas
	Suite entry door assemblies are 3' x 9' or 6' x 9' pair, glass, Herculite doors
	Interior door assemblies are 3' x 8', solid core, wood veneer, flush face doors with no added urea-formaldehyde resins
	Anodized aluminum frames, natural finish, 3' x 8' or 6' x 8' pr, with integral 36" sidelights at offices and conference rooms
	Lever style, heavy duty, satin aluminum hardware
	Suite entry doors are require Blumcraft hardware; interior doors are passage or cylindrical locksets

Include components and ratings as required by code

Keying to be compatible with Landlord's master system

Lab/ Lab Support/ Equipment/ Storage Areas

Door Assemblies are 3' x 8' or 3'-6" x 8' to match offices except where noted as painted hollow metal (fully welded)

Doors stained to match offices and 2'w x 3'h vision lite

Lab offices and shall be 3' x 8', 3'-6" x 8' or 6' x 8' custom stained to match office areas with Alum frames to match offices, except where noted to be welded hollow metal frames

Lever style, heavy duty, satin aluminum cylindrical passage lockset hardware

Include components and ratings as required by code

Keying to be compatible with Landlord's master system

Windows Frames to match style of door frames in office areas

Ceiling System General

Except where structural, mechanical, electrical or plumbing issues preclude, design height of ceiling is to be 10'-0" or max height as possible to obtain

T-Bar suspension installation per code, utilize BERC clips in lieu of 2" wall angle.

Office Areas

Armstrong XL 2' x 2', 15/16" exposed T-Grid, white

Armstrong 2'x 2' acoustic tile, Dune 1775NF (no added/low formaldehyde) with beveled tegular edge, white

Lab/ Lab support/ equipment/ storage areas

Armstrong XL 2' x 4', 15/16" exposed T-grid, white

Armstrong 2' x 4' Climaplus (No added/ low formaldehyde) with beveled, tegular edge, white

Window Covering MechoShade Systems or Equal roller shades, manual controls, EcoVeil 1350, color #1369 Silver, shade cloth mounted within blind pocket Lobby shades to be electrified.

Cabinetry Construction Designation APA C-D plugged with exterior glue, 3/4" thick or 3/4" high-pressure particle board with no added urea-formaldehyde containing resins for Break Rooms, Copy/Work Rooms and Conference Rooms. Adhesive compliant with Indoor Air Quality criteria per ASTM D-5116

Plastic laminate finish, countertops and splashes shall be constructed in accordance with WI Manual of Millwork, "Custom" grade

Self-closing hinges with vertical, horizontal and depth adjustment

Adjustable shelf standards, full extension, heavy-duty drawer glides

Lab casework shall be metal Hanson Lab Furniture Inc, Fisher Hamilton, or equivalent or plastic laminate and constructed in accordance with WI Manual of Millwork, "Custom" grade

Self-closing hinges with vertical, horizontal and depth adjustment

Adjustable shelf standards, full extension, heavy-duty drawer glides

Countertops at labs to be TRESPA or equivalent countertops

Refer to drawings for modular casework requirements

Floor Covering Office and Admin Areas

Monterey or Equal, Overview Multi-Level Loop Pattern, minimum allowance of $30.00/syd installed

Adhesives: GLP16003 - latex resin based multi-purpose carpet floor adhesive, C16E
GLP91505 - floor preparation primers, C36E, C46E
GLP58266 - latex resin based multi-purpose broadloom carpet adhesive, B-19
GLP60151 - latex based carpet broadloom seam sealer, B-71

4” rubber base with adhesive compliant with Indoor Air Quality criteria per ASTM D-5116

Lab/ Lab Support/ Equipment/ Storage Areas

Vinyl Composition Tile, Armstrong or equivalent, 12” x12” x 1/8”

Adhesive compliant with Indoor Air Quality criteria per ASTM D-5116

4” ” rubber coved base with adhesive compliant with Indoor Air Quality criteria per ASTM D-5116

Server Room Static Dissipative tile 24” x 24” Mipolam or VPI, non-grounded

Tissue Culture Resilient sheet flooring with matching welded seams and 6” integral coved base – Medintech or equal

Paint

Shall not exceed the VOC and chemical component limits of Green Seal’s Standard GS-11

Epoxy paint - provide at Tissue Culture

Cold Rooms

Wall Panels Withstand live lateral load of 100 lbs point load, 5 psf uniform load

Ceiling Panels Withstand their own weight, dead loads, and live loads of 25 lbs with maximum deflection of 1:180

Cooler Rooms Maintain 4 degrees F; plus or minus 2 F degrees

Air Tightness of Assembled Unit Limit air infiltration through assembly to 0.06 cu ft/min/sq ft of wall area, measured at a reference differential pressure across assembly of 1.57 psf as measured in accordance with ASTM E 283

Vapor Seal Interior room atmospheric pressure of 1 inch sp, 72 degrees F, 40 percent RH: No failure

Vapor Tightness Sufficient to eliminate frost accumulation

Insulation Thickness 4 inches

Doors: Overlap type for 34 x 78 inch opening, construction as for walls but with edges closed; 2-1/2 inch thick insulation; flexible gasket containing magnetic strip on four edges; heated gasket thermostatic control with two way air relief valve. Configuration and quantity as shown on drawings

View Windows Sealed insulating glass units in doors

Hardware Cast brass, nylon bearing self closing hinges, roller catch latch and keeper; cylinder lock and inside safety release mechanism

Shelving and Supports Stainless steel construction, open rod construction, free standing style, adjustable supports

Deli Boxes Rear load, deep shelving with front access at each door

Light Fixtures Vapor tight, incandescent with 150 watt lamp, operating toggle switch on exterior wall of room with pilot light, wired in rigid conduit

Cooling System Direct expansion refrigerant, water cooled; remote located condensing unit for all rooms, evaporator, unit cooler, self contained with valves, controls, switches, timers, refrigerant piping, insulated suction lines, and wiring. Size and capacity to maintain environment specified; hot gas defrost; electrically heated trace condensate drain

Cooling Unit Locate remote from cold storage rooms. Pipe coolant to cold rooms

Specialties

Corner guards Stainless Steel in all lab / lab support areas 3 ½" x 3 ½" x 5'

STRUCTURAL

Bldg Structure Replacement of any spray-applied fire protection that is removed or damaged during the course of tenant improvements is required

Roof Structure Due to coastal height restrictions, no equipment is allowed on the roof

FIRE PROTECTION

Fire Sprinkler Spacing and number of heads shall comply with recommendations of NFPA 13 for type of occupancy. Ceiling mounted high temperature heads (pendant, natural brass with chrome finish, semi-recessed with matching adjustable metal escutcheon) shall be used in those areas required by code. Server rooms shall have pre-action fire protection system with separate riser

Fire Extinguisher Semi-Recessed, stainless steel fire extinguisher cabinet

Dry chemical fire extinguisher bottle: Sentry 5 or equivalent

Provide quantity required by code

Fire Alarm Suite improvements to include all devices required by code and must be connected to the building fire alarm system. All work must be performed by an authorized Notifier representative with a minimum of 10 years experience

PLUMBING – TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes & standards

Uniform Plumbing Code
Uniform Building Code
Uniform Fire Code
Local Fire Department Regulations
National Fire Protection Association
All other Authorities Having Jurisdiction

1. All water fixtures used in general office space including restrooms but not including Process Fixtures, shall exceed the minimum rating by 30% specified in the Energy Policy Act of 1992, in accordance with LEED calculations
2. Adhesives shall comply: VOC content shall be less than the current VOC content limits of SCAQMD Rule #1168, AND all sealants used as fillers must meet to exceed the requirements of the South Coast Air Quality Management District Regulation 8, Rule 51

Principal Systems to be Included in the Design

1. Sanitary sewer drain, waste & vent - all spaces above ground level drain by gravity to the public sewer.
2. Compressed Gases ((CA, N2, CO2)

3. House Vacuum and Compressed Air System, utilized in common with other tenants at the project.
4. Water Systems (ICW, IHW, DCW, DHW, DI). Water usage shall be submetered and measured for bill back purposes to the tenant
5. Liquid Nitrogen System
6. Typically, localized instantaneous electric domestic hot water heaters serve lavatories and sinks in the tenant suites
7. Condensate drain piping runs from the HVAC units to the nearest indirect waste receptor (max. 60” AFF.) or to a Janitor’s Sink
8. All drain piping from HVAC equipment and plumbing equipment runs to the nearest indirect waste receptor or Janitor Sink

Materials

Soil, Waste and Vent above Ground: Service-weight, no-hub cast-iron pipe and fittings Soil, Waste and Vent Below Ground and to 5’-0” Outside of Building: Service-weight, cast-iron hub & spigot pipe and fittings

Industrial Waste and Vent piping above ground to be plenum rated polypropylene DWV

Industrial Waste and Vent piping below ground to be polypropylene DWV.

Industrial Waste piping to route to a sample port just prior to connection to sanitary system Water and Condensate Drain Piping Above Ground: Type ‘L” hard-drawn copper type, ASTM B88, and wrought copper fittings, ANSI B1 6.22. All hot water supply piping shall be insulated with 1-inch thick fiberglass insulation for sizes up to 2-1/2 inch size, 1-1/2 inch thick above 2-inch size piping. Condensate drain piping above ceilings to be insulated

Water Piping Below Ground 4-inches and smaller: Type “K” hard-drawn copper tubing, ASTM B88, and wrought copper fittings ANSI B 16.22, silver brazed joints

Natural Gas Piping: Buried piping to be Polyethylene per ASTM D2513; above grade to be Schedule 40 black steelper ASTM D2513

Indirect Drains: Type “M” copper fittings, ANSI B16.22, solder joint type. Insulate with Manville Micro-Lok 650AP

Specialty gas piping shall be type L copper, silver brazed

Deionized Water: Schedule 40 polypropylene with socket fused joints

Liquid Nitrogen: Vacuum insulated stainless steel tubing

Adhesives shall comply: VOC content shall be less than the current VOC content limits of SCAQMD Rule ealants used as fillers must meet or exceed the requirements of the South Coast Air Quality Management District Regulation 8, Rule 51

Plumbing Fixtures

Lab sink: 25 in. x 22 in. x 12 in. deep stainless steel sink.

Scullery sink: Double compartment stainless steel sink with 14 in. deep basin

Service Sink: Corner model, terrazzo mop service basin with vacuum breaker faucet.

Emergency Shower/Eyewash: Water Saver Faucet Co. Model SSBF2150 or equivalent

Electric Water Cooler: Barrier-free, wall hung water cooler with push bar control and equipped for handicap usage

All water fixtures used in general office space including restrooms but not including Process Fixtures, shall exceed the minimum rating by 30% specified in the Energy Policy Act of 1992, in accordance with LEED calculations

Drains

Floor Drains: Cast iron body floor drains with nickel bronze top, membrane clamp and adjustable collar

Floor Sinks: Cast iron body receptor with acid-resistant coated interior, bottom dome strainer, seepage flange and grate

Break rooms shall have either single or double compartment 18 gauge stainless steel sinks. Minimum acceptable building standard sinks and accessories:

Single Compartment Sink:	Just Model #SX-2133-A-GR
Double Compartment Sink:	Just Model #DL-2133-A-GR
Drain:	Just Model #J-35FS
Faucet:	Just #J-900 single handle 8” center
Garbage Disposer:	In-Sink-Erator #444 0.75HP @ 120/1/60
Provide air gap fitting for dishwasher, if installed.	

HVAC – TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes and standards
- Uniform Mechanical Code
- Uniform Plumbing Code
- Uniform Building Code
- Uniform Fire Code
- Local Fire Department Regulations
- National Fire Protection Association
- All other Authorities Having Jurisdiction

Principal Systems to be Included in Design

1. Summer-Winter air conditioning for all occupied areas, including corridors and restrooms
2. The current building has a common central plant that provides CHW for cooling. CHW piping is delivered to the basement and capped
3. Tenant spaces shall be conditioned by either fan coils above the ceiling space or air handlers located in basement
4. Toilet exhaust systems for all restrooms and janitor rooms per code
5. Building controls to be Johnson Metasys DDC System integrated with the existing site-wide DDC system with electric controllers

Existing Cooling Plant The existing cooling plant consists of (1) 300T centrifugal and (1) 250T Turbocor chiller and chilled water usage shall be monitored for billing purposes

The tenant shall be responsible for providing and installing all necessary CHW BTU monitoring devices

Areas that require continuous 7/24 operation (computer rooms, network server rooms, etc.) shall be considered for stand-alone systems; be Liebert, Data-Aire or equivalent. The system configuration shall be dependent on room capacity requirements

Existing Heating The existing heating plant consists of boilers with 4,000,000 BTU. Tenant to install all required distribution piping from the basement chiller room into the TI space.

Office Areas Fan coils can be installed in office areas above the ceiling space with ducted supply and return. Minimum standard for cabinet style fan coils shall Carrier 42BH type or equal.

Lab Areas These areas shall be serviced by basement or floor mounted 100% OSA air handling units equipped as described below

Basement Air Handling Units shall be based on Energy Lab Units or approved equivalent with the following minimum components and accessories:

- Double wall outdoor construction

- Backward Inclined Supply fans with high efficiency motors and VFD's
- Airflow monitoring stations
- Moisture eliminator section
- Filtration with 2 in. 30/30 prefilters and 85 % efficient final filters
- Cooling and heating coils with corrosion resistant protection
- Stainless steel drain pan

Telephone/IT Room

Dedicated 24/7 independent split system units with the fan coil units mounted above the ceiling space and the condensing unit located in the basement

Environmental Design Conditions

The following criteria will be used for sizing the heating and cooling systems:

Outdoor Ambient Design Conditions:	
Summer:	88¥F dB, 72¥F mwB, 13¥F dB outdoor daily range
Winter:	42¥F dB
Indoor Conditions for Air Conditioned Area:	72¥F dB ± 3¥F dB, No Humidity Control Typical of
Offices, Labs	office space unless equipment requires a more
Electrical, Telecom, Storage	specifically controlled environment

Ventilation Air Requirements

Outdoor air for ventilation on this project exceeds the requirements of the American Society of Heating Ventilating and Air Conditioning Engineers (ASHRAE) Standard 62-1989, Ventilation for Acceptable Indoor Air Quality. On average approximately 0.2 cfm per square foot should be provided for all office environments.

For laboratory areas provide 100% outside air with the following minimum requirements:

1. Biology Areas	8 AC/Hr
2. Chemistry Areas	12 AC/Hr
3. Chemical Storage	15 AC/Hr
4. Wash Areas	15 AC/Hr

Energy Use & Conservation

The Energy Efficiency Standard, Title 24, to be used to set the minimum performance requirements of this installation, though Tenant agrees their design will exceed the minimum savings to comply with LEED Silver Certification.

Ceiling Registers & Diffusers

Ceiling diffusers with perforated face with frame style compatible with the type of ceiling used. Surface mounted diffusers require gaskets to prevent leakage. Diffuser faceplate to have concealed hinges and latches. Faceplates to be easily removable from the frame.

Supply diffusers, Titus-PMC perforated modular face-size 24" X 24" for lay-in ceiling tile.

Linear diffusers for all hard lid areas.

These manufacturers are considered equal, providing corresponding models meet specified requirements. Equivalent substituted equipment to be submitted for the Designer's review during bid of major equipment.

Air Filters	AAF, Air Guard
Diffusers, Registers, Grilles	Titus, EH Price, Krueger

Duct Work	Supply ducts, return ducts, and exhaust ducts plenum chambers, housing, and panels fabricated from zinc-coated (galvanized) steel sheets conforming to the latest ASTM Specs A-525. Zinc-coating to be of the "Commerical" class
	Exhaust duct from fume hoods shall be 304 stainless steel back to main exhaust duct
	Exhaust duct from Glasswash area shall be 304 stainless steel back to main exhaust duct
	Ductwork shall be installed in strict accordance with the latest SMACNA guidelines and shall also adhere to the latest State and Federal seismic requirements
	Install flexible ducts in a fully extended condition free of sags and kinks, using minimum length required for connection. Flexible duct suspended on 36" centers with a min 3/4" wide flat banding material where horizontal support is required. Joints and connections to be made in accordance with Underwriters Laboratories, Inc. Connect to rigid sheet metal with min 1/2" wide collar positively clamped and secured with screws or other approved fastening
Toilet Exhaust Ventilation	Exhaust all janitor rooms shall with a min of 12 air changes per hour
Miscellaneous Exhaust/ Ventilation Systems	The following exhaust system have been installed as part of the shell design, it is assumed that outside ambient air shall provide makeup air to the exhausted area:
	Elevator Machinery Rooms.
	Electrical Room(s).
Controls	Electronic DDC building automation system controls the central pant, located in the lower level of the building. The system operates the HVAC system and controls occupied and non-occupied temperature and ventilation schedules. System is expandable for Tenant Improvements. The system includes monitoring, alarm and by-pass functions for efficient energy management
	The DDC System is programmed to log utilities
	Electronic digital control to be provided at the tenant zone level; controls shall be coordinated with the shell building system. Purchase and installation of all utility devices and controls within the tenant space are part of Tenant Improvement scope of work

ELECTRICAL—TENANT IMPROVEMENT MINIMUM CRITERIA

All work shall be in strict conformance with the following codes and standards
NFPA 70 National Electrical Code
NFPA 101 Life Safety Code
BOCA Building Codes
IES - Illuminating Engineering Society of North America

Distribution	The building distribution is located in basement with 277/480 volt, 4,000 AMP underground pull section to be provided in the main electrical room with a small house meter for house loads (ie: lobby, elevators, etc). The main distribution board, tenant meter section and other electrical distribution work will be part of the Tenant Improvement.
	Electrical panels must grouped in dedicated electrical rooms not installed randomly within tenant spaces
	All conductors for new switchgear to be installed as new
	New HVAC equipment to be fed from the basement distribution switchgear. New external starters for HVAC equipment

Panelboards and distribution boards shall be located at the satellite electrical rooms to feed the office/lab and support areas

All new transformers to be energy efficient Energy Star type

Tenant to provide 208V branch circuit panelboards within the tenant space

Distribution Equipment

Panelboards

All Panelboards to be new, all TI panels to be surface mounted and stacked if necessary, inside the dedicated electrical rooms.

Panelboards for lighting to be 480Y/277V 3j 4W to be series rated for fault current. All Electrical panels are to be located in electrical equipment rooms.

Panelboards for power and control power shall be 208Y/120V 3j 4W with minimum fault current ratings of 10,000 AIC. located in electrical equipment rooms. Panelboards served through transformers shall have integral main over current protection, sized as indicated on the drawings.

All panelboards have bolt-on circuit breakers, 42-pole space, bus ratings (as indicated on the panel schedules) and are either surface or flush mounted (as indicated on the panel schedules). All panels located in electrical rooms to be stacked or switchboard mounted to minimize space used by the panels

Panelboards with an isolated ground bus are required as noted. All 208Y/120V 3j 4W panelboards shall be provided with 100% rated neutral bus; panelboards for IT room UPS equipment to be 200% rated neutral bus with an isolated ground bus.

Feeders

Feeders shall be copper conductors (Type THHN or THW) routed in electro metallic tubing (EMT), polyvinylchloride (PVC) conduit, or rigid galvanized steel (RGS) conduit. EMT shall be used in all indoor, concealed locations where the feeder is protected from damage or weather. RGS conduit shall be used in exterior applications or where the conduit may be exposed to physical damage. PVC shall be used for all below-grade applications.

Feeders shall be sized according to the singleline diagram in the construction documents. Feeders shall be rack-mounted in accessible ceiling spaces or routed below grade under the slab.

Emergency Power System

Tenant will be allocated allowed to utilize the existing emergency generator at 11119 North Torrey Pines in common with other tenants at the project. All other emergency power system components to be provided by tenant

Branch Circuitry

1. Conduit and Wire

a. Branch circuits for all power circuits serving furniture partition systems, office power, convenience outlets, control power, etc. to be nominally sized as 120V 20A.

b. Branch circuits for lighting circuits to be either 277V 20A unless specifically indicated otherwise (undercabinet lighting is connected to 120V 20A circuits).

c. All area branch circuit conductors to be copper and routed in metal conduit.

d. Branch circuiting to individual offices shall be (3)#12AWG (two ‘hot’ and one neutral) plus (1) #12 green ground wire forming a two dedicated 120V 20A 3- wire circuits to feed a maximum of four offices.

e. Each office to include (2) duplex receptacles, and (1) ring and string devices per 130 SF office. Quantity to be adjusted per square footage room size.

f. Systems furniture feeds to be provided as (4) circuit (8) wire systems with three

normal circuits and one isolated ground circuit.

g. Branch circuits may be increased in size for specific loads or as necessary to prevent excessive voltage drop on longer circuits.

h. MC cable to be provided as for concealed office wall wiring and concealed lighting only. All homeruns to be provided in EMT conduit.

2. Electrical Devices

a. Electrical devices including (receptacles and switches) shall be rated according to the load served.

b. Electrical devices shall be Decora type, white in color with white thermoplastic cover plates.

c. Cover plates for receptacles and junction boxes shall be labeled indicating the circuit and panelboard from which the device is fed.

d. All floor furniture feeds shall be flush type, and flush type to be provided at conference rooms. Floor devices must be 2 hr rated at second floor locations.

3. Lighting Systems

a. Fixtures shall be suitable for the application including the ability to provide egress illumination where required. Egress light shall be wired and remain on a night lights.

b. Fixtures shall meet U.L. requirements and selection and placement of fixtures shall comply with ADA requirements.

c. All lighting fixtures shall operate at 277 V unless specifically noted otherwise.

d. Lighting Power Densities (LPD) must exceed with the Title 24 energy savings by 25% - 35% to comply with LEED Silver Certification efforts.

e. Office area to consist of direct/indirect linear pendant style fixtures or recessed direct/indirect light fixtures type: Focal Point Skylite 2’x2’, FBX-24-B Perforated Shield, White, lamping and voltage to be confirmed. Landlord reserves the right to determine use and location of either style of fixture.

f. Exit Lights – Lithonia LRP, Green on clear, 120/277, EL N.

4. Lighting Control Systems

a. Lighting control must comply with Title 24 requirements (including over-ride control for automatically shutting the lights off at prescribed periods of time and the ability to over-ride the lighting control for up to two hours of use).

b. Lighting control equipment shall include a programmable lighting control panel, relay panels (quantity as necessary), over-ride switches (distributed throughout the space), and interconnecting conductors.

c. Control zones to include perimeter areas for daylit spaces, skylit areas, and interior areas under 5,000SF.

d. Lighting over-ride switches to be located in corridors and similar areas to allow ease of access.

e. Each room shall be controlled by dual-level switching for local control.

f. Each private enclosed office to be provided with wall mounted dual-level switching and a ceiling mounted override motion sensor. Manufacturer: Hubbell or equal.

5. Mechanical Equipment

a. Power provided from the 480 V or 208 Y/120 V system for line voltage to mechanical equipment.

b. Control power wiring (other than 120 V as indicated on Mechanical control wiring diagrams) by the mechanical contractor.

c. Smoke detectors, time clocks, relays, contactors, etc. by the mechanical contractor.

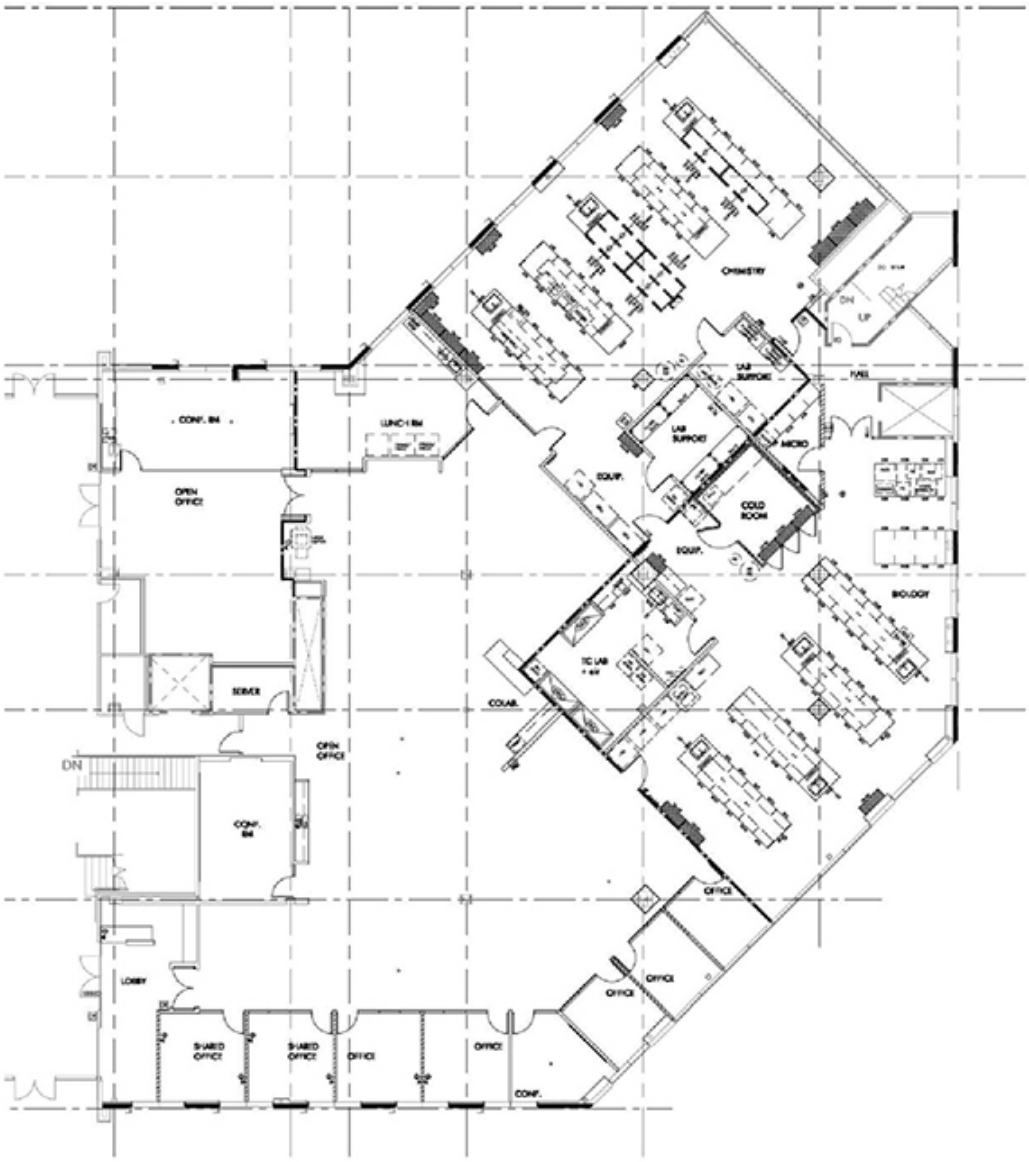
d. Motor starters and disconnect switches by the electrical contractor according to the control wiring diagrams provided by mechanical contractor.

6. Telephone/Data Room and Low Voltage Wiring

a. The existing MPOE room in the basement can be utilized

Schedule 2 to Work Letter

Space Plan



Wellspring T.I.
Scale: 1/16"=1'-0"
02.12.13

EXHIBIT D TO LEASE

ACKNOWLEDGMENT OF COMMENCEMENT DATE

This **ACKNOWLEDGMENT OF COMMENCEMENT DATE** is made this _____ day of _____, _____, between **ARE-SD REGION NO. 24, LLC**, a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company ("**Tenant**"), and is attached to and made a part of the Lease dated _____, _____ (the "**Lease**"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree, for all purposes of the Lease, that the Commencement Date of the Base Term of the Lease is _____, _____, and the termination date of the Base Term of the Lease shall be midnight on _____, _____. In case of a conflict between the terms of the Lease and the terms of this Acknowledgment of Commencement Date, this Acknowledgment of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE to be effective on the date first above written.

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: _____
Its: _____

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: _____
Its: _____

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited. Explosives or other articles deemed extra hazardous shall not be brought into the Project.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall keep all such machinery free of vibration, noise and air waves which may be transmitted beyond the Premises.

EXHIBIT F TO LEASE

TENANT'S PERSONAL PROPERTY

None.

EXHIBIT G TO LEASE

SIGNAGE

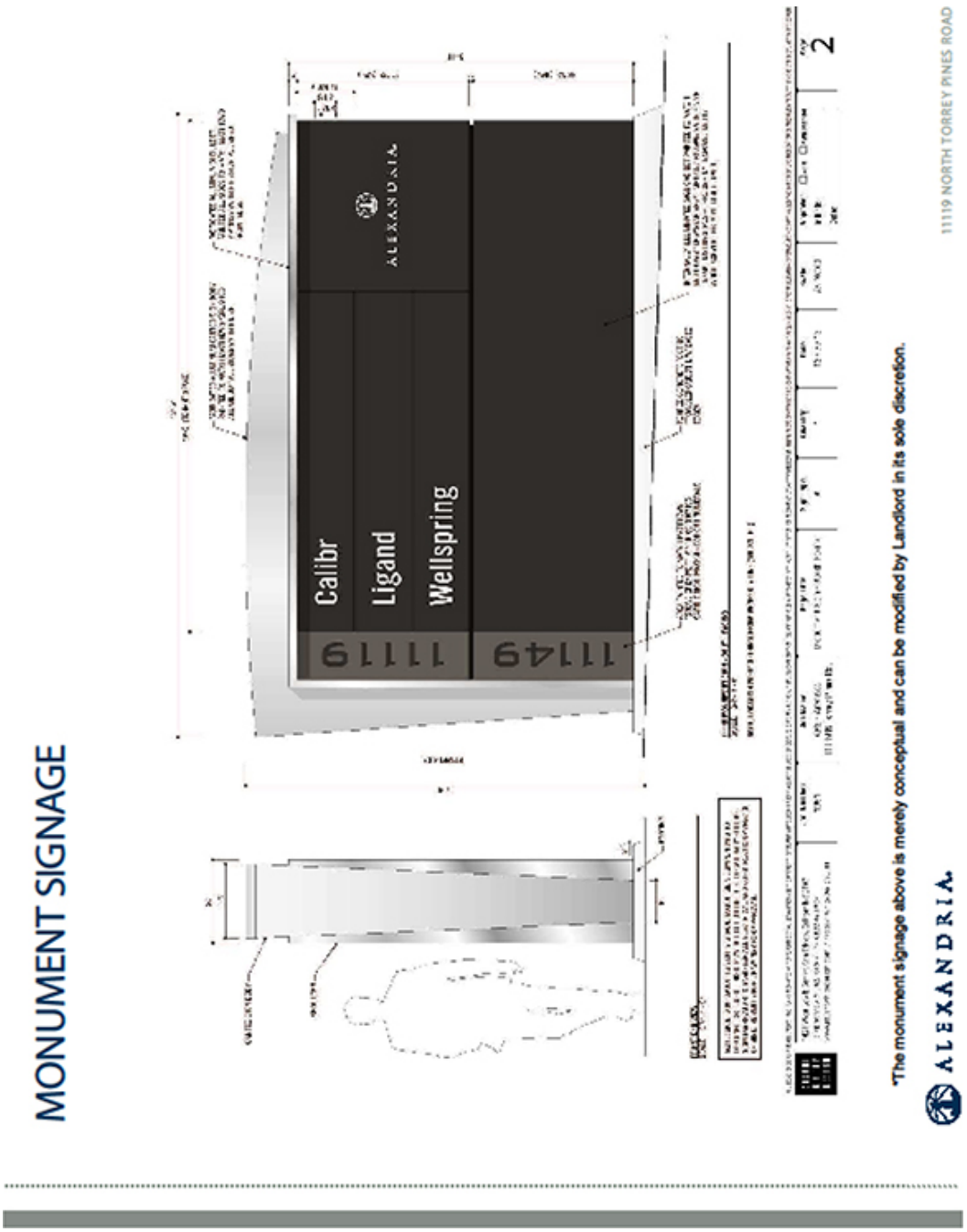
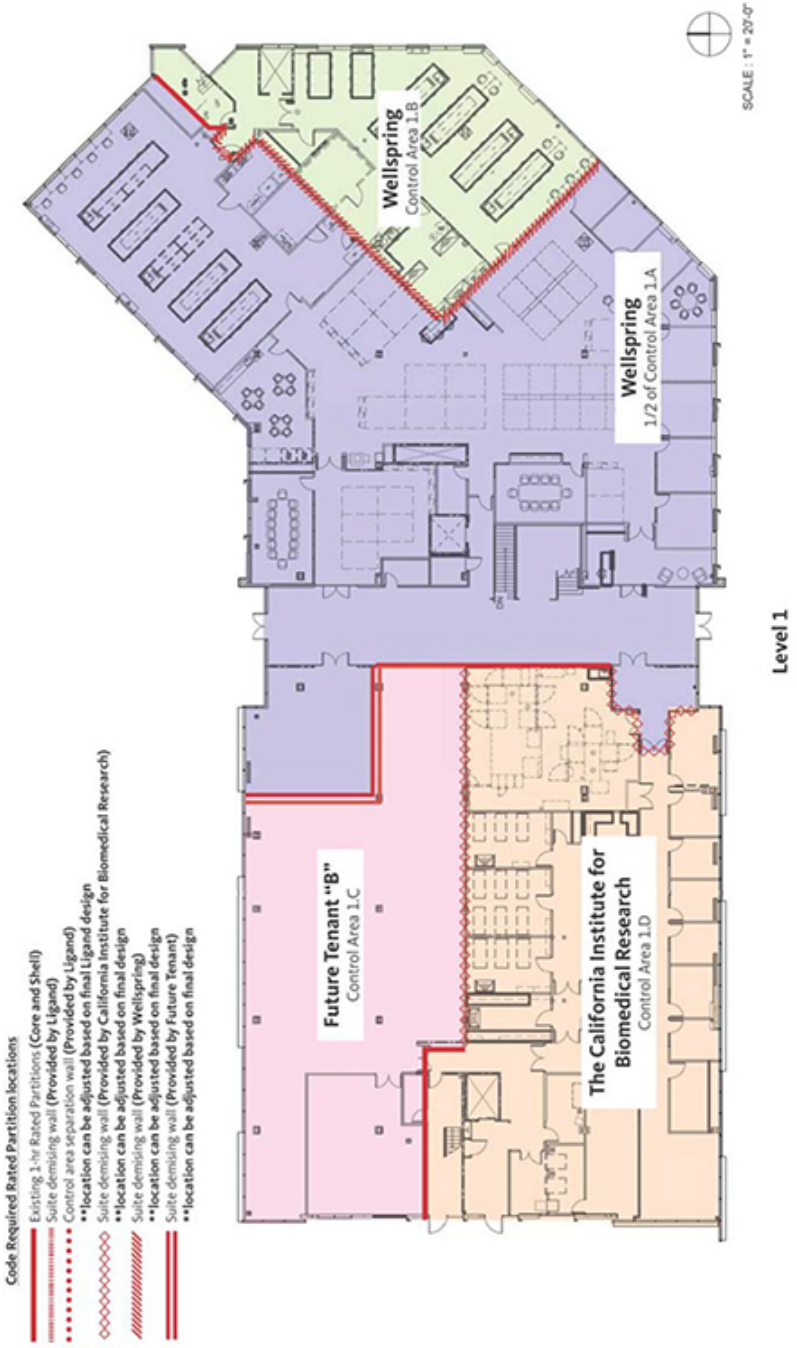


EXHIBIT H TO LEASE

CONTROL AREAS



FIRST AMENDMENT TO LEASE

This First Amendment (the "**Amendment**") to Lease is made as of June 11, 2013, by and between **ARE-SD REGION NO. 24, LLC,** a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC,** a Delaware limited liability company ("**Tenant**").

RECITALS

A**.** Landlord and Tenant have entered into that certain Lease Agreement dated as of March 1, 2013 (the "**Lease**"), wherein Landlord leased to Tenant certain premises consisting of approximately 17,087 rentable square feet (the "**Premises**") located at 11119 North Torrey Pines, San Diego California more particularly described therein.

B. As of the date of this Amendment, the Commencement Date of the Lease has not occurred.

C. Landlord and Tenant desire to amend the Lease to, among other things, revise the square footage of the Premises and the Project.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **Premises**. The defined terms "**Premises**", "**Rentable Area of Premises**", "**Rentable Area of Project**" and "**Tenant's Share of Operating Expenses**" on Page 1 of the Lease are hereby deleted in their entirety and replaced with the following:

"**Premises**: The east side of the first floor of the Building, containing approximately 16,393 rentable square feet, as determined by Landlord, as shown on Exhibit A."

"**Rentable Area of Premises**: 16,393"

"**Rentable Area of Project**: 72,506"

"**Tenant's Share of Operating Expenses**: 22.61%"

2. **TI Allowance**. The first sentence of Section 5(b) of the Work Letter attached to the Lease as Exhibit C is here by deleted in its entirety and replaced with the following:

"Landlord shall provide to Tenant a tenant improvement allowance (the "TI Allowance") of $180 per rentable square foot of the Premises, or $2,950,740 in the aggregate."

3. **Miscellaneous**.

(a) This Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(c) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Amendment attached thereto.

(d) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively "**Broker**") in connection with this Amendment, and that no Broker brought about this Amendment. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this Amendment.

(e) Except as amended and/or modified by this Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall prevail. Whether or not specifically amended by this Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: /s/ Heidi Henson
Its: CFO

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Gary Dean
VP Legal Affairs

SECOND AMENDMENT TO LEASE

This Second Amendment (the "**Amendment**") to Lease is made as of Sept. 18, 2013, by and between **ARE-SD REGION NO. 24, LLC**, a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company ("**Tenant**").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement dated as of March 1, 2013 as amended by that certain First Amendment to Lease dated June 11, 2013 (as amended, the "**Lease**"), wherein Landlord leased to Tenant certain premises consisting of approximately 16,393 rentable square feet (the "**Premises**") located at 11119 North Torrey Pines, La Jolla, California more particularly described therein.

B. As a result of a scrivener's error, the City and zip code of the Premises was incorrectly referenced as "11119 North Torrey Pines, San Diego, California 92127" instead of "11119 North Torrey Pines, La Jolla, California 92037". Landlord and Tenant desire to amend the Lease to, correct such scrivener's error.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **Change in Premises Address**. The definition of "**Building**" and the "**Tenant's Notice Address: Following Commencement Date**" on Page 1 of the Lease are hereby deleted in their entirety and replaced with the following:

"**Building**: 11119 North Torrey Pines Road, La Jolla, California 92037"

"**Tenant's Notice Address**:

Following Commencement Date:

11119 North Torrey Pines Road, Suite 125
La Jolla, California 92037
Attention: President/CEO"

In addition, wherever referred to in the Lease, the Premises address shall be 11119 North Torrey Pines Road, La Jolla, California 92037.

2. **Miscellaneous**.

(a) This Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions with respect thereto. This Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) For purposes of Section 1938 of the California Civil Code, as of the date of this Amendment, the Project has not been inspected by a certified access specialist.

(c) This Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Amendment attached thereto.

(e) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively "**Broker**") in connection with this Amendment, and that no Broker brought about this Amendment. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this Amendment.

(f) Except as amended and/or modified by this Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall prevail. Whether or not specifically amended by this Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: /s/ Heidi Henson
Its: CFO

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Gary Dean
Gary Dean
VP Legal Affairs

THIRD AMENDMENT TO LEASE

This Third Amendment (the "**Amendment**") to Lease is made as of February 23, 2015, by and between **ARE-SD REGION NO. 24, LLC,** a Delaware limited liability company ("**Landlord**"), and **WELLSPRING BIOSCIENCES LLC,** a Delaware limited liability company ("**Tenant**").

RECITALS

A**.** Landlord and Tenant have entered into that certain Lease Agreement dated as of March 1, 2013, as amended by that certain First Amendment to Lease dated June 11, 2013 ("**First Amendment**"), and as amended by that certain Second Amendment to Lease dated September 18, 2013 (as amended, the "**Lease**"), wherein Landlord leased to Tenant certain premises consisting of approximately 16,393 rentable square feet (the "**Premises**") located at 11119 North Torrey Pines, La Jolla, California more particularly described therein.

B. Landlord and Tenant desire to amend the Lease to clarify that Tenant shall forfeit any unused TI Allowance after June 30, 2015.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **TI Allowance**. The following sentence shall be added to the last sentence of Section 5(b) of the Work Letter attached to the Lease as Exhibit C (as amended by Section 2 of the First Amendment):

"Tenant shall have no right to use any portion of the TI Allowance that is not disbursed on or before June 30, 2015 in accordance with the Work Letter."

2. **Miscellaneous**.

(a) This Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions with respect thereto. This Amendment may be amended only by an agreement in writing, signed by the parties hereto.

(b) This Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

(c) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this Amendment attached thereto.

(d) Landlord and Tenant each represent and warrant that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this Amendment, and that no Broker brought about this Amendment. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this Amendment.

(e) Except as amended and/or modified by this Amendment, the Lease is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this Amendment. In the event of any conflict between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall prevail. Whether or not specifically amended by this Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this Amendment.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: /s/ Heidi Henson
Its: CFO

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

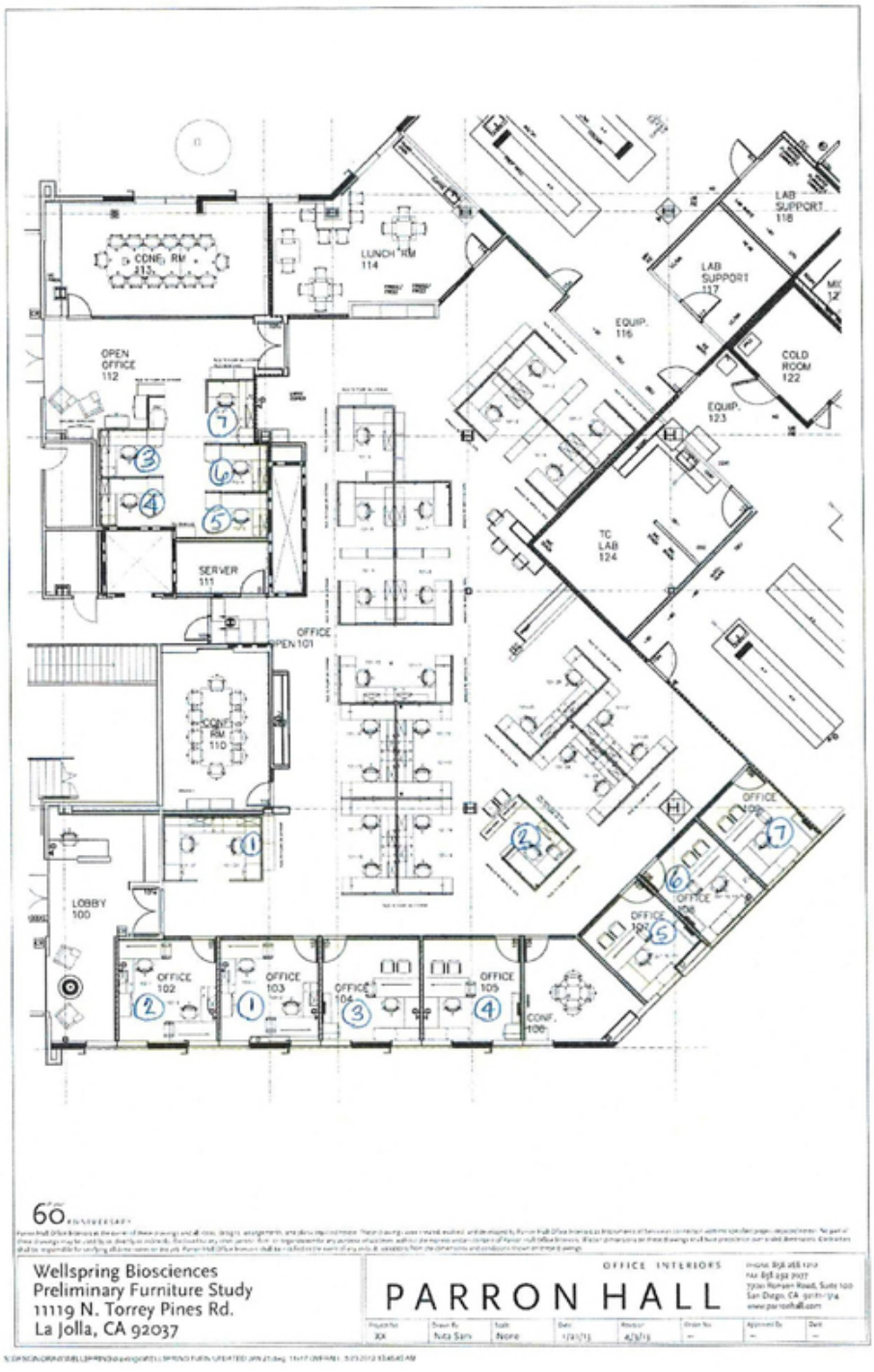
By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership,
managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Gary Dean
VP Legal Affairs

EXHIBIT B

SUBLEASED PREMISES



60th ANNIVERSARY

Wellspring Biosciences
Preliminary Furniture Study
11119 N. Torrey Pines Rd.
La Jolla, CA 92037

OFFICE INTERIORS
PARRON HALL

Project No	Drawn By	Scale	Date	Revision	Check No	Approved By	Date
XX	Nita Sars	None	1/31/13	4/3/13	--	--	--

EXHIBIT C

FURNITURE

1. Cubicles (1-7)

1) 6 x 8 Workstation (x7)
2) Pedestal file cabinet (x6)
3) 24 x 24 hinged door/2 drawer file storage unit (x6)
4) Sliding door overhead storage with task lighting (x6)
5) Regeneration chair (x7)
6) Integrated marker tile (x3)
7) White board (x2)
8) Moile ped w/seat cushion (x1)
9) 42 x 18 hinged door/2 drawer file storage unit (x2)
10) Regeneration chair (x7)

2. Private Offices (Offices 3-7)

1) 72 x 30 table desk with modesty panel (x5)
2) 48 x 24 bridge (desk return) (x5)
3) 72 x 18 table with 2 drawer credenza file cabinet (x5)
4) 48 x 23 3 shelf bookcase (x5)
5) 24 x 24 hinged door/2 drawer storage unit (x2)
6) Sliding door overhead storage with task lighting (x5)
7) Tackboard below overhead (x5)
8) Mobile ped w/seat cushion (x5)
9) Regeneration chair (x5)
10) Moment side chair (x10)
11) White board (x5)

3. Shared Offices (Offices 1 and 2)

1) 72 x 30 table desk with modesty panel (x4)
2) 72 x 18 table with 2 drawer credenza file cabinet (x4)
3) Sliding door overhead storage with task lighting (x4)
4) 36 x 24 hinged door/2 drawer file storage unit (x2)
5) Mobile ped w/seat cushion (x4)
6) Regeneration chair (x4)

4. Open Area/General

1) 48 x 24 printer table w/hinged door cabinet underneath
2) 30 x 18 4 drawer file cabinet (x2)
3) 36 x 18 4 drawer file cabinet (x2)
4) 36 x 18 2 door file cabinet (x2)
5) Phone (x16)

CONSENT TO SUBLEASE

This Consent to Sublease (this "**Consent**") is made as of December 9, 2014, by **ARE-SD REGION NO. 24, LLC**, a Delaware limited liability company, having an address of 385 East Colorado Blvd., Suite 299, Pasadena, California 91101 ("**Landlord**"), **WELLSPRING BIOSCIENCES LLC**, a Delaware limited liability company, having an address of 11119 North Torrey Pines Road, Suite 125, La Jolla, CA 92037 ("**Tenant**"), and **KURA ONCOLOGY, INC.**, a Delaware corporation, having an address of 11119 North Torrey Pines Road, Suite 125, La Jolla, CA 92037 ("**Sublessee**") with reference to the following Recitals.

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement dated as of March 1, 2013, as amended by that certain First Amendment to Lease dated June 11, 2013, and as amended by that certain Second Amendment to Lease dated September 18, 2013 (as amended, the "**Lease**"), wherein Landlord leased to Tenant certain premises (the "**Premises**") located at 11119 North Torrey Pines Road, La Jolla, California as more particularly described therein.

B. Tenant desires to sublease to Sublessee a portion of the Premises consisting of approximately 1,560 rentable square feet (the "**Subleased Premises**") more particularly described in and pursuant to the provisions of that certain Sublease dated August 29, 2014 (the "**Sublease**"), a copy of which is attached hereto as Exhibit A.

C. Tenant desires to obtain Landlord's consent to the Sublease.

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby consents to the sublease of the Subleased Premises to Sublessee, such consent being subject to and upon the following terms and conditions to which Tenant and Sublessee hereby agree:

1. All initially capitalized terms not otherwise defined in this Consent shall have the meanings set forth in the Lease unless the context clearly indicates otherwise.

2. This Consent shall not be effective and the Sublease shall not be valid unless and until Landlord shall have received: (a) a fully executed copy of the Sublease, (b) a fully executed counterpart of this Consent, and (c) an insurance certificate from Sublessee, as insured, evidencing no less than the insurance requirements set forth in the Lease. Tenant and Sublessee each represent and warrant to Landlord that the copy of the Sublease attached hereto as Exhibit A is true, correct and complete in all material respects.

3. Intentionally Deleted.

4. Landlord neither approves nor disapproves the terms, conditions and agreements contained in the Sublease, all of which shall be subordinate and at all times subject to: (a) all of the covenants, agreements, terms, provisions and conditions contained in the Lease, (b) superior ground leases, mortgages, deeds of trust, or any other hypothecation or security

now existing or hereafter placed upon the real property of which the Premises are a part and to any and all advances secured thereby and to all renewals, modifications, consolidations, replacements and extensions thereof, and (c) all matters of record affecting the Premises and all laws, ordinances and regulations now or hereafter affecting the Premises.

5. Nothing contained herein or in the Sublease shall be construed to:

   a. modify, waive, impair, or affect any of the terms, covenants or conditions contained in the Lease (including, without limitation, Tenant's obligation to obtain any required consents for any other or future sublettings), or to waive any breach thereof, or any rights or remedies of Landlord under the Lease against any person, firm, association or corporation liable for the performance thereof, or to enlarge or increase Landlord's obligations or liabilities under the Lease (including, without limitation, any liability to Sublessee for any portion of the security deposit held by Tenant under the Sublease), and all terms, covenants and conditions of the Lease are hereby declared by each of Landlord and Tenant to be in full force and effect.

   b. require Landlord to accept any payments from Sublessee on behalf of Tenant, except as expressly provided in Section 8 hereof.

   Tenant shall remain liable and responsible for the due keeping, performance and observance of all the terms, covenants and conditions set forth in the Lease on the part of the Tenant to be kept, performed and observed and for the payment of the annual rent, additional rent and all other sums now and hereafter becoming payable thereunder for all of the Premises, including, without limitation, the Subleased Premises.

6. Notwithstanding anything in the Sublease to the contrary:

   a. Sublessee does hereby expressly assume and agree to be bound by and to perform and comply with, for the benefit of Landlord, each and every obligation of Tenant under the Lease to the extent applicable to the Subleased Premises. Landlord and Sublessee each hereby release the other, and waive their respective rights of recovery against the other for direct or consequential loss or damage arising out of or incident to the perils covered by property insurance carried by such party to the extent of such insurance and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof.

   b. Tenant and Sublessee agree to each of the terms and conditions of this Consent, and upon any conflict between the terms of the Sublease and this Consent, the terms of this Consent shall control.

   c. The Sublease shall be deemed and agreed to be a sublease only and not an assignment and there shall be no further subletting or assignment of all or any portion of the Premises demised under the Lease (including the Subleased Premises demised by the Sublease) except in accordance with the terms and conditions of the Lease.

   d. If Landlord terminates the Lease as a result of a default by Tenant thereunder or the Lease terminates for any other reason, the Sublease shall automatically terminate concurrently therewith; provided, however, if Landlord elects, in its sole and

absolute discretion and without obligation, exercisable by giving written notice to Sublessee within 7 days of such termination (a "**Reinstatement Notice**"), to reinstate the Sublease and Sublessee shall attorn to Landlord, in which case the Sublease shall become and be deemed to be a direct lease between Landlord and Sublessee. If Landlord exercises the option provided under this section, Landlord shall undertake the obligations of Tenant under the Sublease from the time of the Reinstatement Notice through the expiration or earlier termination of the Sublease, but Landlord shall not (a) be liable for more than 1 month's rent or any security deposit paid by Sublessee (except to the extent actually delivered to Landlord), (b) be liable for any prior act or omission of Tenant under the Lease prior to the Reinstatement Notice or for any other defaults of Tenant under the Sublease prior to the Reinstatement Notice, (c) be subject to any defenses or offsets previously accrued which Sublessee may have against Tenant for any period prior to the Reinstatement Notice, or (d) be bound by any changes or modifications made to the Sublease without the prior written consent of Landlord.

e. Tenant and Sublessee acknowledge and agree that if Tenant or Landlord elects to terminate the Lease pursuant to the terms thereof, or if Landlord and Tenant voluntarily elect to terminate the Lease, Landlord shall have no responsibility, liability or obligation to Sublessee, and the Sublease shall terminate unless reinstated in Landlord's sole and absolute discretion as expressly provided in Section 6(d) above.

f. Notwithstanding anything in the Lease, Tenant agrees to reimburse all of Landlord's costs and expenses in connection with this Consent.

7. Any act or omission of Sublessee or anyone claiming under or through Sublessee that violates any of the provisions of the Lease shall be deemed a violation of the Lease by Tenant.

8. Upon a default by Tenant under the Lease, Landlord may proceed directly against Tenant, any guarantors or anyone else liable under the Lease or the Sublease without first exhausting Landlord's remedies against any other person or entity liable thereon to Landlord. If Landlord gives Sublessee notice that Tenant is in default under the Lease, Sublessee shall thereafter make directly to Landlord all payments otherwise due Tenant, which payments will be received by Landlord without any liability to Landlord except to credit such payments against amounts due under the Lease. The mention in this Consent of any particular remedy shall not preclude Landlord from any other remedy in law or in equity.

9. Tenant shall pay any broker commissions or fees that may be payable as a result of the Sublease and Tenant hereby indemnifies and agrees to hold Landlord harmless from and against any loss or liability arising therefrom or from any other commissions or fees payable in connection with the Sublease which result from the actions of Tenant. Sublessee hereby indemnifies and agrees to hold Landlord harmless from and against any loss or liability arising from any commissions or fees payable in connection with the Sublease which result from the actions of Sublessee.

10. Tenant and Sublessee agree that the Sublease will not be modified or amended in any way without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant and Sublessee hereby agree that it shall be reasonable for

Landlord to withhold its consent to any modification or amendment of the Sublease which would change the permitted use of the Subleased Premises or which would affect Landlord's status as a real estate investment trust. Any modification or amendment of the Sublease without Landlord's prior written consent shall be void and of no force or effect.

11. Intentionally Deleted.

12. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the Landlord and Tenant at their notice address set forth in the Lease and to Sublessee at the address set forth below. Each party may from time to time by written notice to the other designate another address for receipt of future notices.

Sublessee: Kura Oncology, Inc.
11119 North Torrey Pines Road, Suite 125
La Jolla, CA 92037
Attn: Chief Financial Officer

13. This Consent may not be changed orally, but only by an agreement in writing signed by Landlord and the party against whom enforcement of any change is sought.

14. This Consent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute but one and the same instrument.

15. This Consent and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the internal laws of the State in which the Premises are located, without regard to its principles of conflicts of law.

16. Each of Tenant and Sublessee, and all of the respective beneficial owners of each of Tenant and Sublessee, as applicable, are currently (a) in compliance with and, with respect to the Sublessee, shall at all times during the Term of the Sublease remain, in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and, with respect to the Sublessee, shall not during the term of the Sublease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord, Tenant and Sublessee have caused their duly authorized representatives to execute this Consent as of the date first above written.

LANDLORD:

ARE-SD REGION NO. 24, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS CORP.,
a Maryland corporation, general partner

By: /s/ Gary Dean
Gary Dean
Vice President
RE Legal Affairs

TENANT:

WELLSPRING BIOSCIENCES LLC,
a Delaware limited liability company

By: /s/ Heidi Henson

Its: CFO

SUBLESSEE:

KURA ONCOLOGY, INC.,
a Delaware corporation

By: /s/ Troy Wilson

Its: President, Chief Executive Officer and Director

Exhibit 10.9

1st AMENDMENT TO SUBLEASE

THIS 1st AMENDMENT TO SUBLEASE (this "1st Amendment") is entered into effective as of December 18, 2014 ("Amendment Effective Date") by and between WELLSPRING BIOSCIENCES LLC, a Delaware limited liability company ("Sublandlord"), and KURA ONCOLOGY, INC., a Delaware corporation ("Subtenant")

WHEREAS, Sublandlord and Subtenant are parties to that certain Sublease dated August 29, 2014, (the "Sublease"), and desire to amend the Sublease as set forth herein.

NOW, THEREFORE, in consideration of the various covenants and agreements hereinafter set forth, the parties agree as follows:

1. Amend Section 4(a)(i). Section 4(a)(i) is hereby deleted in its entirety and replaced with the following:

> "(i) Base Rent. Subtenant shall pay to Sublandlord: (A) for the Initial Initial Office Space during the period between September 1, 2014 and October 1, 2014, the amount of $ 444.96; (B) For the Initial Office Space and the Additional Space during the Additional Space Term, $3.09 per rentable square foot per month, ($4,820.40 per month); ((A) and (B) being collectively referred to as "Base Rent"), subject to the rental adjustment described below. Base Rent under this Sublease shall be adjusted on September 1, 2015, to equal the Base Rent, on a per rentable square foot basis, then payable by Sublandlord under the Master Lease with respect to the Subleased Premises pursuant to Section 3(a), as adjusted by Section 4 of the Master Lease."

2. Except as amended as described above, all other terms and conditions of the Sublease will remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this 1st Amendment effective as of the Amendment Effective Date.

WELLSPRING BIOSCIENCES LLC

By: /s/ Heidi Henson
Name: Heidi Henson
Title: CFO

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson
Title: President and CEO

Exhibit 10.10

REDEMPTION AGREEMENT

This Agreement (the "Agreement") is made as of March 6, 2015, by and among Zeta Acquisition Corp. III, a Delaware corporation (the "Issuer"), and the stockholders of the Issuer listed on Schedule A attached hereto (collectively, the "Sellers").

WITNESSETH:

WHEREAS, the Sellers are the owner of 5,000,000 shares of the Issuer's common stock, par value $0.0001 per share ("Common Stock") as set forth on Schedule A hereto; and

WHEREAS, the Sellers desire to sell to the Issuer, severally and not jointly, and the Issuer desires to re-purchase and redeem from the Sellers, the number of shares of Common Stock listed on Schedule A set forth opposite such Seller's name, which shall result in the re-purchase and redemption by the Issuer of an aggregate of 5,000,000 shares of Common Stock (the "Shares"), on and subject to the terms of this Agreement.

WHEREFORE, the parties hereto hereby agree as follows:

1. Sale of the Shares. Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties, covenants and agreements contained in this Agreement, the Sellers shall sell to the Issuer the number of Shares listed on Schedule A set forth opposite each Seller's name, and the Issuer shall re-purchase and redeem such Shares from the Sellers, for an aggregate purchase price equal to the sum of seventy thousand dollars ($70,000) (the "Purchase Price"). The Sellers shall be entitled to that portion of the Purchase Price listed on Schedule A set forth opposite such Seller's name.

2. Closing.

(a) The purchase and sale of the Shares shall take place at a closing (the "Closing"), to occur immediately following the effectiveness of the merger transaction (the "Merger") contemplated by that certain Agreement and Plan of Merger, dated March 6, 2015 (the "Merger Agreement"; capitalized terms used but not specifically defined herein shall have the meanings ascribed to such terms in the Merger Agreement) among the Issuer, Kura Oncology, Inc. ("Kura"), and Kura Operations, Inc. ("Merger Sub"), a wholly-owned subsidiary of the Issuer. The parties hereto shall have no obligation to complete the Closing in the event the Merger is not consummated.

(b) At the Closing:

(i) Each of the Sellers shall deliver to the Issuer an irrevocable stock power in the form attached hereto on **Exhibit A** representing such Seller's portion of the Shares, duly endorsed in form for transfer to the Issuer.

(ii) The Issuer shall pay to each Seller that portion of the Purchase Price listed on Schedule A set forth opposite such Seller's name.

(iii) At, and at any time after, the Closing, the Sellers shall duly execute, acknowledge and deliver all such further assignments, conveyances, instruments and documents, and shall take such other action consistent with the terms of this Agreement to carry out the transactions contemplated by this Agreement, as may be requested by the Issuer.

(c) Repurchased Shares Cancelled. Immediately upon the Closing, the Shares shall be cancelled and shall lose all previously applicable rights, preferences and privileges (including, but not limited to, any and all shareholder and voting rights).

3. Representations and Warranties of each Seller. Each Seller makes the following representations and warranties to the Issuer with respect to such Seller and the Shares to be sold by such Seller hereunder:

(a) Seller is a citizen of the United States of America.

(b) Seller is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(c) Seller has the requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby and otherwise to carry out its obligations hereunder.

(d) Seller is the record and sole beneficial owner of the number of Shares listed on Schedule A set forth opposite Seller's name and has good and marketable title to the Shares, free and clear of any and all options, liens, claims, encumbrances, security interests, pledges, preemptive rights, rights of first refusal and adverse interests of any kind. Seller agrees that the consideration payable by the Issuer for the re-purchase and redemption of Seller's Shares is fair and reasonable and that Seller is in the best position to evaluate and determine the fair value of such Shares. There are no restrictions on the transfer or redemption of such Shares (other than restrictions under the Securities Act or state securities laws). No person or entity (i) owns any equity interest in the Issuer other than the Seller, or (ii) has any right to purchase Seller's Shares or any portion thereof or interest therein.

(e) Seller has received and reviewed the Merger Agreement and understands and consents to the transactions contemplated thereby. Seller has been afforded the opportunity during the course of negotiating the transactions contemplated by this Agreement to ask questions of, and to secure such information from, the Issuer and its officers and directors with regard to the Issuer, Kura and Merger Sub as it deems necessary to evaluate the merits of consenting to the Issuer's consummating such transactions, it being understood that Seller is a stockholder and an affiliate of a director of the Issuer and, as such, is intimately familiar with the Issuer and its business, operations, assets, liabilities, prospects and financial condition in all respects. All such questions, if asked, were answered satisfactorily and all information or documents provided were found to be satisfactory.

(f) There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or, to Seller's knowledge, threatened against the Seller or any of their properties. There is no judgment, decree or order against the Seller that could prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. No bankruptcy, receivership or debtor relief proceedings are pending or, to Seller's knowledge, threatened against the Seller.

(g) All representations, covenants and warranties of the Seller contained in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though the same had been made on and as of such date.

4. Termination by Mutual Agreement. This Agreement may be terminated at any time by mutual consent of the parties hereto, provided that such consent to terminate is in writing and is signed by each of the parties hereto.

5. Release. Each Seller, on its own behalf and, to the extent of its legal authority, on behalf of its successors, assigns, heirs, next-of-kin, representatives, administrators, executors, partners, agents and affiliates, and any other person claiming by, through, or under any of the foregoing (individually, a "Releasing Party" and collectively, "Releasing Parties"), hereby unconditionally and irrevocably releases, waives and forever discharges, effective as of the Closing, the Issuer and Kura, and each of their past and present respective officers, directors, employees, stockholders, predecessors, successors, assigns, partners, subsidiaries and affiliates (individually, a "Released Party" and collectively, "Released Parties") from any and all claims, obligations, contracts, agreements, rights, debts, covenants and liabilities (including attorneys' fees and costs) of any nature whatsoever, whether fixed or contingent, known or unknown, suspected or claimed to exist or unsuspected, regardless of whether knowledge of the unknown or unsuspected claim would have materially affected such Seller's decision to enter into this Agreement, both at law and in equity, arising directly or indirectly from any act, omission, event, or transaction occurring (or any facts or circumstances existing) on or prior to the Closing, but excluding (i) claims for breach by the Issuer of any provision of this Agreement, and (ii) the rights of John Pappajohn and Matthew P. Kinley under the Indemnity Agreement, including their respective indemnification rights thereunder.

6. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement of the parties, superseding and terminating any and all prior or contemporaneous oral and written agreements, understandings or letters of intent between or among the parties, with respect to the subject matter of this Agreement. No part of this Agreement may be modified or amended, nor may any right be waived, except by a written instrument which expressly refers to this Agreement, states that it is a modification or amendment of this Agreement and is signed by the parties to this Agreement, or, in the case of waiver, by the party granting the waiver. No course of conduct or dealing or trade usage or custom and no course of performance shall be relied on or referred to by any party to contradict, explain or supplement any provision of this Agreement, it being acknowledged by the parties to this Agreement that this Agreement is intended to be, and is, the complete and exclusive statement of the agreement with respect to its subject matter. Any waiver shall be limited to the express terms thereof and shall not be construed as a waiver of any other provisions or the same provisions at any other time or under any other circumstances.

(b) Severability. If any section, term or provision of this Agreement shall to any extent be held or determined to be invalid or unenforceable, the remaining sections, terms and provisions shall nevertheless continue in full force and effect.

(c) Notices. All notices provided for in this Agreement shall be in writing signed by the party giving such notice, and delivered personally or sent by overnight courier, mail or messenger against receipt thereof or sent by registered or certified mail, return receipt requested, or by facsimile transmission or similar means of communication if receipt is confirmed or if transmission of such notice is confirmed by mail as provided in this Section6(c). Notices shall be deemed to have been received on the date of personal delivery or telecopy or attempted delivery. Notice shall be delivered to the parties at the following addresses:

If to the Issuer (on or before the Closing):

Zeta Acquisition Corp. III
c/o Equity Dynamics Inc.
666 Walnut Street, Suite 2116
Des Moines, Iowa 50309
Attn: Matthew P. Kinley
Facsimile: _____

E-mail: Kinley@pappajohn.com

With a copy to: Richardson & Patel LLP
405 Lexington Avenue 49th Floor
New York, NY 10174
Attn: David N. Feldman, Esq.
Facsimile: 917-677-8165
E-mail: dfeldman@richardsonpatel.com

If to the Issuer (on or after the Closing):

Kura Oncology, Inc.
11119 N. Torrey Pines Road, Suite 125
La Jolla, California 92037
Attention: Troy Wilson
Facsimile: 858-500-8801
E-mail: troy@kuraoncology.com

With a copy to:
Cooley LLP
4401 Eastgate Mall
San Diego, CA 92121-1909
Attention: James C. Pennington, Esq.
Facsimile: (858) 550-6420
E-mail: jpennington@cooley.com

If to the Sellers: to the address set forth below each Seller's name on Schedule A of this Agreement.

Either party may, by like notice, change the address, person or facsimile number to which notice shall be sent.

(d) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to agreements executed and to be performed wholly within such State, without regard to any principles of conflicts of law. Each of the parties hereby irrevocably consents and agrees that any legal or equitable action or proceeding arising under or in connection with this Agreement shall be brought in the federal or state courts located in the County of New York in the State of New York, by execution and delivery of this Agreement, irrevocably submits to and accepts the jurisdiction of said courts, waives any defense that such court is not a convenient forum, and consents to any service of process made either (x) in the manner set forth in Section 6(c) of this Agreement (other than by telecopier), or (y) any other method of service permitted by law.

(e) Waiver of Jury Trial. EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN THE EVENT OF ANY SUIT, ACTION OR PROCEEDING TO ENFORCE THIS AGREEMENT OR ANY OTHER ACTION OR PROCEEDING WHICH MAY ARISE OUT OF OR IN ANY WAY BE CONNECTED WITH THIS AGREEMENT OR ANY OF THE OTHER DOCUMENTS.

(f) Successors. This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns; provided, however, that neither party may assign this Agreement or any of its rights under this Agreement without the prior written

consent of the other party.

(g) Further Assurances. Each party to this Agreement agrees, without cost or expense to any other party, to deliver or cause to be delivered such other documents and instruments as may be reasonably requested by any other party to this Agreement in order to carry out more fully the provisions of, and to consummate the transaction contemplated by, this Agreement.

(h) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile or email of a PDF, which facsimile or PDF shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

(i) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties with the advice of counsel to express their mutual intent, and no rules of strict construction will be applied against any party.

(j) Survival of Representations and Warranties. All representations and warranties made by the Seller in this Agreement shall survive the execution and delivery hereof and any investigations made by or on behalf of the parties.

(k) Headings. The headings in the Sections of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

(l) Specific Performance. The rights and remedies of the parties hereto shall be cumulative. The transactions contemplated by this Agreement are unique transactions and any failure on the part of any party to complete the transactions contemplated by this Agreement on the terms of this Agreement will not be fully compensable in damages and the breach or threatened breach of the provisions of this Agreement would cause the other parties hereto irreparable harm. Accordingly, in addition to and not in limitation of any other remedies available to the parties hereto for a breach or threatened breach of this Agreement, the parties shall be entitled to seek specific performance of this Agreement and seek an injunction restraining any such party from such breach or threatened breach.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ISSUER:

ZETA ACQUISITION CORP. III

By: /s/ John Pappajohn
Name: John Pappajohn
Title: President

SELLERS:

AANA LTD.

By: /s/ Argyris Vassiliou
Name: Argyris Vassiliou
Title: Partner

NICALE PARTNERS

By: /s/ Argyris Vassiliou
Name: Argyris Vassiliou
Title: Partner

/s/ John Pappajohn
JOHN PAPPAJOHN

/s/ Matthew P. Kinley
MATTHEW P. KINLEY

SCHEDULE A

Seller Name and Address	Shares	Purchase Price
John Pappajohn c/o Equity Dynamics Inc. 666 Walnut Street, Suite 2116 Des Moines, Iowa 50309	2,000,000	$ 28,000
Matthew P. Kinley c/o Equity Dynamics Inc. 666 Walnut Street, Suite 2116 Des Moines, Iowa 50309	2,000,000	$ 28,000
AANA Ltd. c/o Argyris Vassiliou 94 Nathan Hale Drive Stamford, Connecticut 06902	625,000	$ 8,750
NICALE Partners c/o Argyris Vassiliou 94 Nathan Hale Drive Stamford, Connecticut 06902	375,000	$ 5,250

EXHIBIT A

IRREVOCABLE STOCK POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer to Zeta Acquisition Corp. III, a Delaware corporation (the "Corporation"), [ ] ([ ]) shares of the Common Stock, $0.0001 par value per share, of the Corporation, standing in the name of the undersigned on the books of the Corporation. The undersigned does hereby irrevocably constitute and appoint _____ as attorney to transfer the said shares on the books of the Corporation, with full power of substitution in the premises. This Irrevocable Stock Power is given pursuant to a Redemption Agreement dated as of March 6, 2015 and is subject to the terms of that agreement.

[SELLER]

Dated: _____

_____

Name:
Title:

Exhibit 10.11

INDEMNITY AGREEMENT

This Indemnity Agreement (the "Agreement"), dated as of March 6, 2015, is entered into by and among Zeta Acquisition Corp. III, a Delaware corporation ("Zeta"), Kura Oncology, Inc., a Delaware corporation ("Kura" and together with Zeta, the "Companies"), and Matthew P. Kinley (the "Indemnitee").

W I T N E S S E T H:

WHEREAS, Indemnitee is a director on the board of directors of Zeta (the "Board of Directors") and/or an officer of Zeta and in such capacity(ies) is performing valuable services for Zeta; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of Zeta on the condition that he be indemnified as herein provided; and

WHEREAS, it is intended that Indemnitee shall be paid promptly by the Companies all amounts necessary to effectuate in full the indemnity provided herein.

NOW, THEREFORE, in consideration of the premises and the covenants in this Agreement, and of Indemnitee and the Companies intending to be legally bound hereby, the parties hereto agree as follows:

1. Services by Indemnitee. Indemnitee agrees to serve as director or officer of Zeta, or both, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Certificate of Incorporation and bylaws of Zeta, and until such time as Indemnitee resigns or fails to stand for election or is removed from Indemnitee's positions. Indemnitee may from time to time also perform other services at the request or for the convenience of, or otherwise benefiting Zeta.

2. Indemnification. Subject to the limitations set forth herein and in Section 6 hereof, the Companies hereby agree to indemnify Indemnitee as follows:

The Companies shall, with respect to any Proceeding (as hereinafter defined) associated with Indemnitee acting in his official capacity as officer and director of Zeta relating to (i) the consideration, approval or consummation of the Transaction Documents (defined below) and (ii) to the extent applicable, in his official capacity as a director of Zeta following the Effective Time (as defined in the Merger Agreement) of the merger transaction contemplated by that certain Agreement and Plan of Merger dated 6, 2015, by and among Zeta, Kura and Kura Operations, Inc. (the "Merger Agreement"), in compliance with Section 14(f) of the Exchange Act of 1934, as amended and Rule 14f-1 promulgated thereunder, indemnify Indemnitee to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware (the "DGCL") and the Certificate of Incorporation of Zeta in effect on the date hereof or as such law or Certificate of Incorporation may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits Zeta to provide broader indemnification rights than the law or Certificate of Incorporation permitted Zeta to provide before such amendment). Notwithstanding the foregoing, the Companies shall not be required

to indemnify Indemnitee for acts or omissions of Indemnitee constituting fraud, bad faith, gross negligence or intentional misconduct. The right to indemnification conferred herein and in the Certificate of Incorporation shall be presumed to have been relied upon by Indemnitee in serving or continuing to serve Zeta and shall be enforceable as a contract right. Without in any way diminishing the scope of the indemnification provided by this Section 2, the Companies will indemnify Indemnitee against Expenses (as hereinafter defined) and Liabilities (as hereinafter defined) actually and reasonably incurred by Indemnitee or on their behalves in connection with the investigation, defense, settlement or appeal of such Proceeding. In addition to, and not as a limitation of, the foregoing, the rights of indemnification of Indemnitee provided under this Agreement shall include those rights set forth in Section 8 below. Notwithstanding the foregoing, the Companies shall be required to indemnify Indemnitee in connection with a Proceeding commenced by Indemnitee (other than a Proceeding commenced by Indemnitee to enforce Indemnitee's rights under this Agreement) only if the commencement of such Proceeding was authorized by the Board of Directors. Notwithstanding anything to the contrary contained herein, the Companies shall have no obligation to indemnify the Indemnitee to the extent such indemnification would not be permitted under Section 145 of the DGCL or Zeta's Certificate of Incorporation in effect on the date hereof.

3. Presumptions and Effect of Certain Proceedings. Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Companies shall have the burden of proof to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent shall not affect this presumption or, except as determined by a judgment or other final adjudication adverse to Indemnitee, establish a presumption with regard to any factual matter relevant to determining Indemnitee's rights to indemnification hereunder. If the person or persons so empowered to make a determination pursuant to Section 5 hereof shall have failed to make the requested determination within ninety (90) days after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or other disposition or partial disposition of any Proceeding or any other event that could enable the Companies to determine Indemnitee's entitlement to indemnification, the requisite determination that Indemnitee is entitled to indemnification shall be deemed to have been made.

4. Advancement of Expenses. To the extent not prohibited by law, the Companies shall advance the Expenses or Liabilities incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within twenty (20) days after the receipt by the Companies of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses or Liabilities but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) and upon request of the Companies, an undertaking to repay the advancement of Expenses or Liabilities if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Companies. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the expenses. Advances shall include any and all Expenses and/or Liabilities actually and reasonably incurred by Indemnitee

pursuing an action to enforce Indemnitee's right to indemnification under this Agreement, or otherwise and this right of advancement, including Expenses and/or Liabilities incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee acknowledges that the execution and delivery of this Agreement shall constitute an undertaking providing that Indemnitee shall, to the fullest extent required by law, repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this Section shall continue until final disposition of any proceeding, including any appeal therein. This Section 4 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 15(d)(ii).

5. Procedure for Determination of Entitlement to Indemnification.

(a) Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit a written request for indemnification or advancement of expenses to the Companies. Any request for indemnification or advancement of expenses shall include sufficient documentation or information reasonably available to Indemnitee for the determination of entitlement to indemnification or advancement of expenses. In any event, Indemnitee shall submit Indemnitee's claim for indemnification or advancement of expenses within a reasonable time, not to exceed ninety (90) days after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or final termination, whichever is the later date for which Indemnitee requests indemnification.

(b) Independent Legal Counsel (as hereinafter defined) shall determine whether Indemnitee is entitled to indemnification or advancement of expenses. Determination of Indemnitee's entitlement to indemnification or advancement of expenses shall be made not later than ninety (90) days after the Companies' receipt of Indemnitee's written request for such indemnification or advancement of expenses, provided that any request for indemnification or advancement of expenses for Liabilities, other than amounts paid in settlement, shall have been made after a determination thereof in a Proceeding.

6. Specific Limitations on Indemnification. Notwithstanding anything in this Agreement to the contrary, the Companies shall not be obligated under this Agreement to make any payment to Indemnitee with respect to any Proceeding:

(a) To the extent that payment is actually made to Indemnitee under any insurance policy, or is made to Indemnitee by either of the Companies or affiliates otherwise than pursuant to this Agreement. Notwithstanding the availability of such insurance, Indemnitee also may claim indemnification from the Companies pursuant to this Agreement by assigning to the Companies any claims under such insurance to the extent Indemnitee is paid by the Companies;

(b) For Liabilities in connection with Proceedings settled without the Companies' consent, which consent, however, shall not be unreasonably withheld;

(c) In no event shall the Companies be liable to pay the fees and disbursements of more than one counsel in any single Proceeding except to the extent that, in the opinion of counsel of the Indemnitee, the Indemnitee has conflicting interests in the outcome of such

Proceeding; or

(d) To the extent it would be otherwise prohibited by law, if so established by a judgment or other final adjudication adverse to Indemnitee.

7. Fees and Expenses of Independent Legal Counsel. The Companies agree to pay the reasonable fees and expenses of Independent Legal Counsel and to fully indemnify such Independent Legal Counsel against any and all expenses and losses incurred by any of them arising out of or relating to this Agreement or their engagement pursuant hereto.

8. Remedies of Indemnitee.

(a) In the event that (i) a determination pursuant to Section 5 hereof is made that Indemnitee is not entitled to indemnification, (ii) payment has not been timely made following a determination of entitlement to indemnification pursuant to this Agreement, or (iii) Indemnitee otherwise seeks enforcement of this Agreement, Indemnitee shall be entitled to a final adjudication in a court of competent jurisdiction in the State of California of the remedy sought.

(b) If a determination that Indemnitee is entitled to indemnification has been made pursuant to Section 5 hereof, or is deemed to have been made pursuant to Section 5 hereof or otherwise pursuant to the terms of this Agreement, the Companies shall be bound by such determination in the absence of a misrepresentation or omission of a material fact by Indemnitee in connection with such determination.

(c) The Companies shall be precluded from asserting that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Companies shall stipulate in any such court or before any such arbitrator that the Companies are bound by all the provisions of this Agreement and are precluded from making any assertion to the contrary.

(d) Expenses reasonably incurred by Indemnitee in connection with Indemnitee’s request for indemnification under, seeking enforcement of or to recover damages for breach of this Agreement shall be borne by the Companies when and as incurred by Indemnitee, to the extent it is determined that Indemnitee is entitled to indemnification hereunder.

9. Contribution. To the fullest extent permissible under applicable law, in the event the Companies are obligated to indemnify Indemnitee under this Agreement and the indemnification provided for herein is unavailable to Indemnitee for any reason whatsoever, the Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Companies and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Companies (and their respective directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

10. Modification, Waiver, Termination and Cancellation. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

11. Subrogation. In the event of payment under this Agreement, the Companies shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Companies effectively to bring suit to enforce such rights.

12. Notice by Indemnitee and Defense of Claim. Indemnitee shall promptly notify the Companies in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any matter, whether civil, criminal, administrative or investigative, but the omission so to notify the Companies will not relieve it from any liability that it may have to Indemnitee if such omission does not prejudice the Companies' rights. If such omission does prejudice the Companies' rights, the Companies will be relieved from liability only to the extent of such prejudice; nor will such omission relieve the Companies from any liability that they may have to Indemnitee otherwise than under this Agreement.

13. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Zeta:

Zeta Acquisition Corp. III
c/o Equity Dynamics Inc.
666 Walnut Street
Suite 2116
Des Moines, IA 50309
Telephone: (515) 244-5746
Attn: Matthew P. Kinley

(b) If to Kura:

Kura Oncology, Inc.
11119 North Torrey Pines Road
Suite 125
La Jolla, CA 92037
Telephone: (858) 500-8800
Attn: Troy Wilson, President and Chief Executive Officer

(c) If to Indemnitee:

John Pappajohn
c/o Equity Dynamics Inc.
666 Walnut Street
Suite 2116
Des Moines, IA 50309
Telephone: (515) 244-5746

or to such other address as may have been furnished to Indemnitee by the Companies or to the Companies by Indemnitee, as the case may be.

14. Non-exclusivity. The rights of Indemnitee hereunder shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under applicable law, the Companies' Certificates of Incorporation or bylaws, or any agreements, vote of stockholders, resolution of the Boards of Directors or otherwise.

15. Certain Definitions.

(a) "Expenses" shall include all direct and indirect costs (including, without limitation, attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, all other disbursements or out-of-pocket expenses) actually and reasonably incurred in connection with either the investigation, defense, settlement or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, applicable law or otherwise; provided, however, that "Expenses" shall not include any Liabilities.

(b) "Independent Legal Counsel" shall mean a law firm or a member of a firm selected by the Companies and approved by Indemnitee (which approval shall not be unreasonably withheld). Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Companies or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.

(c) "Liabilities" shall mean liabilities of any type whatsoever including, but not limited to, any judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of any Proceeding.

(d) "Proceeding" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternative dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, that (i) is associated with Indemnitee's actions as an officer and/or director of Zeta relating to the approval of or consummation of the transactions contemplated by the Transaction Documents, absent fraud, bad faith, gross negligence or intentional misconduct, including any action brought by or in the right of Zeta or Kura, and (ii) is not initiated or brought by one or more of the Indemnitee.

(e) "Transaction Documents" shall collectively mean (1) that certain Agreement and Plan of Merger, dated March 6, 2015, by and among Kura, Zeta and Merger Sub, (2) that certain Common Stock Purchase Agreement, dated March 6, 2015, by and among Kura, each

person listed on Schedule I attached thereto (the "Investors"), and Zeta, but only for purposes of assuming all of Kura's rights, duties and obligations pursuant to Section 11 thereof, and (3) that certain Registration Rights Agreement, dated March 6, 2015, by and among Kura, the Investors, the existing stockholders of Kura, and Zeta, but only for purposes of assuming all of Kura's rights, duties and obligations pursuant to Section 8 thereof.

16. Binding Effect; Duration and Scope of Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Companies), spouses, heirs and personal and legal representatives. This Agreement shall continue in effect for two (2) years subsequent to the date of this Agreement, regardless of whether Indemnitee continues to serve as director or an officer of Zeta.

17. Severability. If any provision or provisions of this Agreement (or any portion thereof) shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby; and

(b) to the fullest extent legally possible, the provisions of this Agreement shall be construed so as to give effect to the intent of any provision held invalid, illegal or unenforceable.

18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within the State of Delaware, without regard to conflict of laws rules.

19. Consent to Jurisdiction. The Companies and Indemnitee each irrevocably consent to the jurisdiction of the courts of the State of California for all purposes in connection with any action or Proceeding that arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of California.

20. Entire Agreement. This Agreement represents the entire agreement between the parties hereto, and there are no other agreements, contracts or understandings between the parties hereto with respect to the subject matter of this Agreement.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile or email of a PDF, which facsimile or PDF shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

ZETA ACQUISITION CORP. III

By: /s/ John Pappajohn
Name: John Pappajohn
Its: President

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson
Its: President, Chief Executive Officer, and Director

INDEMNITEE

/s/ Matthew P. Kinley
MATTHEW P. KINLEY

[Signature Page to Indemnity Agreement]

INDEMNITY AGREEMENT

This Indemnity Agreement (the "Agreement"), dated as of March 6, 2015, is entered into by and among Zeta Acquisition Corp. III, a Delaware corporation ("Zeta"), Kura Oncology, Inc., a Delaware corporation ("Kura" and together with Zeta, the "Companies"), and John Pappajohn (the "Indemnitee").

W I T N E S S E T H:

WHEREAS, Indemnitee is a director on the board of directors of Zeta (the "Board of Directors") and/or an officer of Zeta and in such capacity(ies) is performing valuable services for Zeta; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of Zeta on the condition that he be indemnified as herein provided; and

WHEREAS, it is intended that Indemnitee shall be paid promptly by the Companies all amounts necessary to effectuate in full the indemnity provided herein.

NOW, THEREFORE, in consideration of the premises and the covenants in this Agreement, and of Indemnitee and the Companies intending to be legally bound hereby, the parties hereto agree as follows:

1. Services by Indemnitee. Indemnitee agrees to serve as director or officer of Zeta, or both, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the Certificate of Incorporation and bylaws of Zeta, and until such time as Indemnitee resigns or fails to stand for election or is removed from Indemnitee's positions. Indemnitee may from time to time also perform other services at the request or for the convenience of, or otherwise benefiting Zeta.

2. Indemnification. Subject to the limitations set forth herein and in Section 6 hereof, the Companies hereby agree to indemnify Indemnitee as follows:

The Companies shall, with respect to any Proceeding (as hereinafter defined) associated with Indemnitee acting in his official capacity as officer and director of Zeta relating to (i) the consideration, approval or consummation of the Transaction Documents (defined below) and (ii) to the extent applicable, in his official capacity as a director of Zeta following the Effective Time (as defined in the Merger Agreement) of the merger transaction contemplated by that certain Agreement and Plan of Merger dated 6, 2015, by and among Zeta, Kura and Kura Operations, Inc. (the "Merger Agreement"), in compliance with Section 14(f) of the Exchange Act of 1934, as amended and Rule 14f-1 promulgated thereunder, indemnify Indemnitee to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware (the "DGCL") and the Certificate of Incorporation of Zeta in effect on the date hereof or as such law or Certificate of Incorporation may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits Zeta to provide broader indemnification rights than the law or Certificate of Incorporation permitted Zeta to provide before such amendment). Notwithstanding the foregoing, the Companies shall not be required

to indemnify Indemnitee for acts or omissions of Indemnitee constituting fraud, bad faith, gross negligence or intentional misconduct. The right to indemnification conferred herein and in the Certificate of Incorporation shall be presumed to have been relied upon by Indemnitee in serving or continuing to serve Zeta and shall be enforceable as a contract right. Without in any way diminishing the scope of the indemnification provided by this Section 2, the Companies will indemnify Indemnitee against Expenses (as hereinafter defined) and Liabilities (as hereinafter defined) actually and reasonably incurred by Indemnitee or on their behalves in connection with the investigation, defense, settlement or appeal of such Proceeding. In addition to, and not as a limitation of, the foregoing, the rights of indemnification of Indemnitee provided under this Agreement shall include those rights set forth in Section 8 below. Notwithstanding the foregoing, the Companies shall be required to indemnify Indemnitee in connection with a Proceeding commenced by Indemnitee (other than a Proceeding commenced by Indemnitee to enforce Indemnitee's rights under this Agreement) only if the commencement of such Proceeding was authorized by the Board of Directors. Notwithstanding anything to the contrary contained herein, the Companies shall have no obligation to indemnify the Indemnitee to the extent such indemnification would not be permitted under Section 145 of the DGCL or Zeta's Certificate of Incorporation in effect on the date hereof.

3. Presumptions and Effect of Certain Proceedings. Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Companies shall have the burden of proof to overcome that presumption in reaching any contrary determination. The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent shall not affect this presumption or, except as determined by a judgment or other final adjudication adverse to Indemnitee, establish a presumption with regard to any factual matter relevant to determining Indemnitee's rights to indemnification hereunder. If the person or persons so empowered to make a determination pursuant to Section 5 hereof shall have failed to make the requested determination within ninety (90) days after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or other disposition or partial disposition of any Proceeding or any other event that could enable the Companies to determine Indemnitee's entitlement to indemnification, the requisite determination that Indemnitee is entitled to indemnification shall be deemed to have been made.

4. Advancement of Expenses. To the extent not prohibited by law, the Companies shall advance the Expenses or Liabilities incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within twenty (20) days after the receipt by the Companies of a statement or statements requesting such advances (which shall include invoices received by Indemnitee in connection with such Expenses or Liabilities but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice) and upon request of the Companies, an undertaking to repay the advancement of Expenses or Liabilities if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Companies. Advances shall be unsecured, interest free and without regard to Indemnitee's ability to repay the expenses. Advances shall include any and all Expenses and/or Liabilities actually and reasonably incurred by Indemnitee

pursuing an action to enforce Indemnitee's right to indemnification under this Agreement, or otherwise and this right of advancement, including Expenses and/or Liabilities incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee acknowledges that the execution and delivery of this Agreement shall constitute an undertaking providing that Indemnitee shall, to the fullest extent required by law, repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this Section shall continue until final disposition of any proceeding, including any appeal therein. This Section 4 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 15(d)(ii).

5. Procedure for Determination of Entitlement to Indemnification.

(a) Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit a written request for indemnification or advancement of expenses to the Companies. Any request for indemnification or advancement of expenses shall include sufficient documentation or information reasonably available to Indemnitee for the determination of entitlement to indemnification or advancement of expenses. In any event, Indemnitee shall submit Indemnitee's claim for indemnification or advancement of expenses within a reasonable time, not to exceed ninety (90) days after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or final termination, whichever is the later date for which Indemnitee requests indemnification.

(b) Independent Legal Counsel (as hereinafter defined) shall determine whether Indemnitee is entitled to indemnification or advancement of expenses. Determination of Indemnitee's entitlement to indemnification or advancement of expenses shall be made not later than ninety (90) days after the Companies' receipt of Indemnitee's written request for such indemnification or advancement of expenses, provided that any request for indemnification or advancement of expenses for Liabilities, other than amounts paid in settlement, shall have been made after a determination thereof in a Proceeding.

6. Specific Limitations on Indemnification. Notwithstanding anything in this Agreement to the contrary, the Companies shall not be obligated under this Agreement to make any payment to Indemnitee with respect to any Proceeding:

(a) To the extent that payment is actually made to Indemnitee under any insurance policy, or is made to Indemnitee by either of the Companies or affiliates otherwise than pursuant to this Agreement. Notwithstanding the availability of such insurance, Indemnitee also may claim indemnification from the Companies pursuant to this Agreement by assigning to the Companies any claims under such insurance to the extent Indemnitee is paid by the Companies;

(b) For Liabilities in connection with Proceedings settled without the Companies' consent, which consent, however, shall not be unreasonably withheld;

(c) In no event shall the Companies be liable to pay the fees and disbursements of more than one counsel in any single Proceeding except to the extent that, in the opinion of counsel of the Indemnitee, the Indemnitee has conflicting interests in the outcome of such

Proceeding; or

(d) To the extent it would be otherwise prohibited by law, if so established by a judgment or other final adjudication adverse to Indemnitee.

7. Fees and Expenses of Independent Legal Counsel. The Companies agree to pay the reasonable fees and expenses of Independent Legal Counsel and to fully indemnify such Independent Legal Counsel against any and all expenses and losses incurred by any of them arising out of or relating to this Agreement or their engagement pursuant hereto.

8. Remedies of Indemnitee.

(a) In the event that (i) a determination pursuant to Section 5 hereof is made that Indemnitee is not entitled to indemnification, (ii) payment has not been timely made following a determination of entitlement to indemnification pursuant to this Agreement, or (iii) Indemnitee otherwise seeks enforcement of this Agreement, Indemnitee shall be entitled to a final adjudication in a court of competent jurisdiction in the State of California of the remedy sought.

(b) If a determination that Indemnitee is entitled to indemnification has been made pursuant to Section 5 hereof, or is deemed to have been made pursuant to Section 5 hereof or otherwise pursuant to the terms of this Agreement, the Companies shall be bound by such determination in the absence of a misrepresentation or omission of a material fact by Indemnitee in connection with such determination.

(c) The Companies shall be precluded from asserting that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Companies shall stipulate in any such court or before any such arbitrator that the Companies are bound by all the provisions of this Agreement and are precluded from making any assertion to the contrary.

(d) Expenses reasonably incurred by Indemnitee in connection with Indemnitee’s request for indemnification under, seeking enforcement of or to recover damages for breach of this Agreement shall be borne by the Companies when and as incurred by Indemnitee, to the extent it is determined that Indemnitee is entitled to indemnification hereunder.

9. Contribution. To the fullest extent permissible under applicable law, in the event the Companies are obligated to indemnify Indemnitee under this Agreement and the indemnification provided for herein is unavailable to Indemnitee for any reason whatsoever, the Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Companies and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Companies (and their respective directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

10. Modification, Waiver, Termination and Cancellation. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

11. Subrogation. In the event of payment under this Agreement, the Companies shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Companies effectively to bring suit to enforce such rights.

12. Notice by Indemnitee and Defense of Claim. Indemnitee shall promptly notify the Companies in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any matter, whether civil, criminal, administrative or investigative, but the omission so to notify the Companies will not relieve it from any liability that it may have to Indemnitee if such omission does not prejudice the Companies' rights. If such omission does prejudice the Companies' rights, the Companies will be relieved from liability only to the extent of such prejudice; nor will such omission relieve the Companies from any liability that they may have to Indemnitee otherwise than under this Agreement.

13. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Zeta:	Zeta Acquisition Corp. III c/o Equity Dynamics Inc. 666 Walnut Street Suite 2116 Des Moines, IA 50309 Telephone: (515) 244-5746 Attn: Matthew P. Kinley
(b) If to Kura:	Kura Oncology, Inc. 11119 North Torrey Pines Road Suite 125 La Jolla, CA 92037 Telephone: (858) 500-8800 Attn: Troy Wilson, President and Chief Executive Officer
(c) If to Indemnitee:	John Pappajohn c/o Equity Dynamics Inc. 666 Walnut Street Suite 2116 Des Moines, IA 50309 Telephone: (515) 244-5746

or to such other address as may have been furnished to Indemnitee by the Companies or to the Companies by Indemnitee, as the case may be.

14. Non-exclusivity. The rights of Indemnitee hereunder shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under applicable law, the Companies' Certificates of Incorporation or bylaws, or any agreements, vote of stockholders, resolution of the Boards of Directors or otherwise.

15. Certain Definitions.

(a) "Expenses" shall include all direct and indirect costs (including, without limitation, attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, all other disbursements or out-of-pocket expenses) actually and reasonably incurred in connection with either the investigation, defense, settlement or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, applicable law or otherwise; provided, however, that "Expenses" shall not include any Liabilities.

(b) "Independent Legal Counsel" shall mean a law firm or a member of a firm selected by the Companies and approved by Indemnitee (which approval shall not be unreasonably withheld). Notwithstanding the foregoing, the term "Independent Legal Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Companies or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.

(c) "Liabilities" shall mean liabilities of any type whatsoever including, but not limited to, any judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of any Proceeding.

(d) "Proceeding" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternative dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, that (i) is associated with Indemnitee's actions as an officer and/or director of Zeta relating to the approval of or consummation of the transactions contemplated by the Transaction Documents, absent fraud, bad faith, gross negligence or intentional misconduct, including any action brought by or in the right of Zeta or Kura, and (ii) is not initiated or brought by one or more of the Indemnitee.

(e) "Transaction Documents" shall collectively mean (1) that certain Agreement and Plan of Merger, dated March 6, 2015, by and among Kura, Zeta and Merger Sub, (2) that certain Common Stock Purchase Agreement, dated March 6, 2015, by and among Kura, each

person listed on Schedule I attached thereto (the "Investors"), and Zeta, but only for purposes of assuming all of Kura's rights, duties and obligations pursuant to Section 11 thereof, and (3) that certain Registration Rights Agreement, dated March 6, 2015, by and among Kura, the Investors, the existing stockholders of Kura, and Zeta, but only for purposes of assuming all of Kura's rights, duties and obligations pursuant to Section 8 thereof.

16. Binding Effect; Duration and Scope of Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Companies), spouses, heirs and personal and legal representatives. This Agreement shall continue in effect for two (2) years subsequent to the date of this Agreement, regardless of whether Indemnitee continues to serve as director or an officer of Zeta.

17. Severability. If any provision or provisions of this Agreement (or any portion thereof) shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby; and

(b) to the fullest extent legally possible, the provisions of this Agreement shall be construed so as to give effect to the intent of any provision held invalid, illegal or unenforceable.

18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within the State of Delaware, without regard to conflict of laws rules.

19. Consent to Jurisdiction. The Companies and Indemnitee each irrevocably consent to the jurisdiction of the courts of the State of California for all purposes in connection with any action or Proceeding that arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of California.

20. Entire Agreement. This Agreement represents the entire agreement between the parties hereto, and there are no other agreements, contracts or understandings between the parties hereto with respect to the subject matter of this Agreement.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement and any documents relating to it may be executed and transmitted to any other party by facsimile or email of a PDF, which facsimile or PDF shall be deemed to be, and utilized in all respects as, an original, wet-inked document.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

ZETA ACQUISITION CORP. III

By: /s/ Matthew P. Kinley
Name: Matthew P. Kinley
Its: CFO

KURA ONCOLOGY, INC.

By: /s/ Troy Wilson
Name: Troy Wilson
Its: President, Chief Executive Officer, and Director

INDEMNITEE

/s/ John Pappajohn
JOHN PAPPAJOHN

[Signature Page to Indemnity Agreement]

Exhibit 16.1

March 12, 2015

Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read Item 4.01 of the current report on Form 8-K dated March 12, 2015 of Kura Oncology, Inc. and are in agreement with the statements in the paragraphs within that Item as they relate to our firm. We have no basis to agree or disagree with other statements of the registrant contained therein.

Respectfully submitted,

/s/ LWBJ, LLP
West Des Moines, Iowa

Exhibit 21.1

Subsidiaries of the Registrant

Kura Operations, Inc., a Delaware corp**o**ration

Exhibit 99.1

Kura Oncology, Inc.

Financial Statements

Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Kura Oncology, Inc.

We have audited the accompanying balance sheet of Kura Oncology, Inc. as of December 31, 2014, and the related statement of operations and comprehensive loss, stockholders' deficit, and cash flows for the period from August 22, 2014 (Inception) to December 31, 2014. 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 audit.

We conducted our audit 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. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kura Oncology, Inc. at December 31, 2014 and the results of its operations and its cash flows for the period from August 22, 2014 (Inception) to December 31, 2014, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

San Diego, California

March 12, 2015

Kura Oncology, Inc.

BALANCE SHEET

	December 31, 2014
Assets	
Current assets:	
Cash	$ 1,123,864
Accounts receivable, related party	30,139
Prepaid expenses	42,562
Total current assets	1,196,565
Property and equipment, net	26,646
Prepaid expenses	149,949
Other long-term assets, related party	4,680
Total assets	$ 1,377,840
Liabilities and Stockholders' Deficit	
Current liabilities:	
Accounts payable and accrued expenses	$ 832,933
Accounts payable, related party	134,563
Convertible notes payable, related party, current	2,035,565
Other current liabilities	12,786
Total current liabilities	3,015,847
Convertible notes payable, related party	493,418
Other long-term liabilities	1,294,559
Other long-term liabilities, related party	7,500
Total liabilities	4,811,324
Commitments and contingencies (Note 8)	
Stockholders' deficit:	
Common stock, $0.001 par value; 50,000,000 shares authorized; 9,887,000 shares issued and 821,252 shares outstanding, excluding 9,065,748 shares subject to repurchase	821
Additional paid-in capital	236,961
Accumulated deficit	(3,671,266)
Total stockholders' deficit	(3,433,484)
Total liabilities and stockholders' deficit	$ 1,377,840

See accompanying notes to financial statements.

Kura Oncology, Inc.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

	Period From August 22, 2014 (Inception) to December 31, 2014
Operating expenses:	
Research and development	$ 2,028,227
Research and development, related party	624,565
General and administrative	1,261,621
General and administrative, related party	19,734
Total operating expenses	3,934,147
Other income (expense):	
Management fee income, related party	300,000
Interest expense, related party	(37,119)
Total other income	262,881
Net loss and comprehensive loss	$ (3,671,266)
Net loss per share, basic and diluted	$ (12.99)
Weighted average number of shares used in computing net loss per share, basic and diluted	282,613

See accompanying notes to financial statements.

Kura Oncology, Inc.
STATEMENT OF STOCKHOLDERS' DEFICIT

Period from August 22, 2014 (Inception) to December 31, 2014

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of August 22, 2014 (Inception)	—	$ —	$ —	$ —	$ —
Share-based compensation expense	—	—	236,618	—	236,618
Issuance of restricted stock awards	821,252	821	343	—	1,164
Net loss and comprehensive loss	—	—	—	(3,671,266)	(3,671,266)
Balance as of December 31, 2014	**821,252**	**$ 821**	**$236,961**	**$(3,671,266)**	**$(3,433,484)**

See accompanying notes to financial statements.

Kura Oncology, Inc.
STATEMENT OF CASH FLOWS

	Period From August 22, 2014 (Inception) to December 31, 2014
Operating activities	
Net loss	$ (3,671,266)
Adjustments to reconcile net loss to net cash used in operating activities:	
Share-based compensation expense	236,618
Depreciation expense	1,466
Issuance of convertible note for acquisition of license	500,000
Changes in operating assets and liabilities:	
Accounts receivable, related party	(30,139)
Prepaid expenses	(42,562)
Other long-term assets	(149,949)
Other long-term assets, related party	(4,680)
Accounts payable and accrued expenses	832,933
Accounts payable, related party	134,563
Accrued interest, related party	36,483
Other liabilities	1,307,345
Net cash used in operating activities	(849,188)
Investing activities	
Purchases of property and equipment	(28,112)
Net cash used in investing activities	(28,112)
Financing activities	
Proceeds from issuance of related party convertible notes	2,000,000
Proceeds from the issuance of restricted stock awards	1,164
Net cash provided by financing activities	2,001,164
Net increase in cash	1,123,864
Cash at beginning of period	—
Cash at end of period	$ 1,123,864

See accompanying notes to financial statements.

1. Organization and Basis of Presentation

Kura Oncology, Inc. (the "Company"), a privately held company incorporated in Delaware, is a clinical stage biopharmaceutical company discovering and developing personalized therapeutics for the treatment of solid tumors and blood cancers. The Company focuses on the development of small molecule drug candidates that target cell signaling pathways that are important to driving the progression of certain cancers. The Company aims to employ molecular diagnostics to identify patients with cancers who are likely to benefit from our targeted drug candidates.

From August 22, 2014 (inception) through December 31, 2014, the Company has devoted substantially all of its efforts to research, product development, raising capital, and building infrastructure. The Company has a limited operating history and the sales and income potential of the Company's business and market are unproven. The Company has experienced net losses and negative cash flows from operating activities, and had an accumulated deficit of $3,671,266 as of December 31, 2014.

The Company expects to continue to incur net losses into the foreseeable future. Successful transition to attaining profitable operations is dependent upon achieving a level of revenues adequate to support the Company's cost structure. The Company plans to continue to fund its losses from operations and capital funding needs through future debt and equity financing or through collaborations or partnerships with other companies. If the Company is not able to secure adequate additional funding, the Company may be forced to make reductions in spending, liquidate assets where possible, or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations and future prospects. The Company believes that its existing cash resources will be sufficient to fund its operations through at least December 31, 2015.

2. Summary of Significant Accounting Policies

Use of Estimates

The Company's financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

Reported amounts and note disclosures reflect the overall economic conditions that are most likely to occur and anticipated measures management intends to take. Actual results could differ materially from those estimates. All revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits and limits its exposure to cash risk by placing its cash with credit quality rating financial institutions.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets which is three years for each asset class.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset, including its eventual residual value, is compared to the carrying value to determine whether impairment exists. In the event that such cash flows are not expected to be sufficient to recover the carrying amount of the assets, the assets are written-down to their estimated fair values. While the Company's current and historical operating losses and negative cash flows are indicators of impairment, the Company believes that future

cash flows to be received support the carrying value of its long-lived assets and, accordingly, has not recognized any impairment losses through December 31, 2014.

Convertible Notes and Derivative Accounting

At inception, the Company performs an assessment of all embedded features of a debt instrument to determine if (1) such features should be bifurcated and separately accounted for, and (2) if bifurcation requirements are met, whether such features should be classified and accounted for as equity or liability. The fair value of the embedded feature is measured initially, included as a liability on the balance sheet, and remeasured each reporting period. Any changes in fair value are recorded in the statement of operations. The Company monitors, on an ongoing basis, whether events or circumstances could give rise to a change in its classification of embedded features.

The Company accounts for its convertible notes, that may be settled in cash upon conversion (including partial cash settlement), by separating the liability and equity components of the instruments in a manner that reflects the Company's nonconvertible debt borrowing rate. The Company determines the carrying amount of the liability component by measuring the fair value of similar debt instruments that do not have the conversion feature. If a similar debt instrument does not exist, the Company estimates the fair value by using assumptions that market participants would use in pricing a debt instrument, including market interest rates, credit standing, yield curves and volatilities. Determining the fair value of the debt component requires the use of accounting estimates and assumptions. These estimates and assumptions are judgmental in nature and could have a significant impact on the determination of the debt component and the associated non-cash interest expense.

Deferred Rent

Deferred rent consists of the difference between cash payments and the recognition of rent expense on a straight-line basis for the facilities the Company occupies. The Company's lease for its facilities provides for fixed increases in minimum annual rental payments. The total amount of rental payments due over the lease term is being charged to rent expense ratably over the life of the lease. The Company's deferred rent balance is contained within other long-term liabilities on the Company's Balance Sheet.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist of direct and indirect internal costs related to specific projects as well as fees paid to other entities that conduct certain research activities on the Company's behalf. Payments that the Company makes in connection with in-licensed technology for a particular research and development project that have no alternative future uses (in other research and development projects or otherwise) and therefore no separate economic values are expensed as research and development costs at the time such costs are incurred. As of December 31, 2014, the Company has no in-licensed technologies that have alternative future uses in research and development projects or otherwise.

Patent Costs

The Company expenses all costs as incurred in connection with patent applications, including direct application fees, and the legal and consulting expenses related to making such applications, and such costs are included in general and administrative expenses within the Company's Statement of Operations and Comprehensive Loss.

Share-Based Compensation

Restricted stock awards are valued based on the fair value on the grant date. The fair value of restricted stock awards expected to vest are recognized and amortized on a straight-line basis over the requisite service period of the award, which is generally four years. Restricted stock awards granted to non-employees are recorded at their fair value on the earlier of the performance commitment date or the date the services required are completed and are marked to market during the service period. Non-employee restricted stock awards are remeasured and expensed as they vest based on the intrinsic value method.

The Company's equity incentive plan allows for the issuance of restricted stock awards to employees and non-employee consultants that may be subject to vesting. The unvested shares of any restricted stock awards are held in escrow as the stock award vests or until award holder termination, whichever occurs first. In the event of a termination, the Company has the right of repurchase, at its option, for the portion of unvested stock awards from the terminated award holder. The repurchase price for unvested stock awards will be the lower of (i) the fair market value of the shares of common stock on the date of repurchase or (ii) their original purchase price. For all unvested stock awards, a liability is established related to the cash received for the unvested portion of the stock award, which represents the Company's obligation if all award holders were to be terminated, and is recorded within other long-term liabilities on the Company's Balance Sheet.

Income Taxes

Income taxes have been accounted for using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applicable to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against deferred tax assets is recorded if, based upon the weight of all available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. For uncertain tax positions that meet “a more likely than not” threshold, the Company recognizes the benefit of uncertain tax positions in the financial statements.

Comprehensive Loss

The Company is required to report all components of comprehensive loss, including net loss, in the financial statements in the period in which they are recognized. Comprehensive loss is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources, including unrealized losses on investments. Net loss and comprehensive loss were the same for the period presented, therefore, a separate statement of comprehensive loss is not included in the accompanying financial statements.

Segment Reporting

Operating segments are components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker for purposes of making decisions regarding resource allocation and assessing performance. To date, the Company has viewed its operations and managed its business as one segment operating primarily in the United States.

Fair Value Measurements

The Company categorizes its assets and liabilities measured at fair value in accordance with the authoritative accounting guidance that establishes a consistent framework for measuring fair value, and expands disclosures for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2- Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and
- Level 3- Unobservable inputs in which little or no market activity exists, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

At December 31, 2014, the Company did not have financial assets that are measured at fair value on a recurring basis. The carrying amounts of the Company’s financial instruments, which include cash, prepaid expenses, accounts payable, accrued expenses and all related party amounts approximate their fair values at December 31, 2014, primarily due to their short-term nature. The Company believes the fair value of its convertible notes approximates their carrying value as of December 31, 2014. No transfers between levels have occurred during the periods presented. Liabilities measured at fair value on a recurring basis as of December 31, 2014 are as follows:

	Balance as of December 31, 2014	Fair Value Measurements at December 31, 2014		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Embedded derivative liability (1)	$ 196,000	$ —	$ —	$ 196,000

(1) The Company's license agreement with the with The Regents of the University of California San Francisco ("UCSF"), further described in Note 7, provides for an indexed milestone payment upon the occurrence of a qualified preferred stock financing and a subsequent initial public offering or a change of control event, as defined in the agreement. The indexed milestone was determined to qualify as an embedded derivative liability requiring an estimate of fair value.

The Company estimates the fair value of its derivative liabilities at the time of issuance and subsequent remeasurement at each reporting date using a probability model that considers the probability of achieving the events that would trigger such liabilities and the estimated time period the liabilities would be outstanding. The estimates are based, in part, on subjective assumptions and could differ materially in the future. Changes to these assumptions can have a significant impact on the fair value of the derivative liabilities.

The following table provides a reconciliation of all liabilities measured at fair value using Level 3 significant unobservable inputs:

	Derivative Liabilities
Balance at August 22, 2014 (Inception)	$ —
Issuance of derivative liability (1)	196,000
Change in fair value (2)	—
Balance at December 31, 2014	$196,000

(1) The amount is included within research and development expenses on the Company's Statement of Operations and Comprehensive Loss.
(2) The license agreement was executed in November 2014 and no change in the valuation occurred between the execution date and December 31, 2014.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss per share is calculated by dividing the net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method. Dilutive common stock equivalents are comprised of unvested restricted stock awards outstanding under the Company's equity plan. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the antidilutive effect of the securities.

Potentially dilutive securities, which includes unvested stock awards of 9,065,748 are excluded from the calculation of diluted net loss per share due to the anti-dilutive effect of the securities. In addition, the Company has $2,500,000 in principal of outstanding convertible promissory notes, issued in October and December 2014, that are convertible into common stock upon the occurrence of various future events at prices that are not determinable until the occurrence of those future events. As such, the Company has excluded these convertible notes payable from the calculation of diluted net loss per share.

3. Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

In May 2014, the FASB issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which will replace numerous requirements in U.S. GAAP, including industry-specific requirements, and provide companies with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will be effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The Company is currently evaluating the impact the adoption of this guidance will have on its Financial Statements and future operating results.

In June 2014, the FASB issued ASU 2014-10, Development Stage Entities (Topic 915), an accounting standards update that removes the financial reporting distinction between development stage entities and other reporting entities from GAAP. In addition, the amendments eliminate the requirements for development stage entities to: (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The guidance is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2014. The Company's early adoption of the standard eliminated the requirement to disclose inception-to-date information or incremental financial reporting requirements related to development stage entities and does not have any additional impact on the Company's financial statement or disclosures.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. Under the new guidance, management will be required to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. The provisions of this ASU are effective for annual periods beginning after December 15, 2016, and for annual and interim periods thereafter. The Company is currently evaluating the potential changes from this ASU to its future financial reporting and disclosures.

4. Property and equipment, net

Property and equipment consisted of the following:

	December 31, 2014
Computer equipment	$ 25,862
Software	2,250
	28,112
Less: accumulated depreciation	(1,466)
Property and equipment, net	$ 26,646

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consisted of the following:

	December 31, 2014
Accounts payable	$ 225,642
Accrued expenses	567,887
Accrued compensation and benefits	39,404
Total accounts payable and accrued expenses	$ 832,933

6. Notes Payable

Araxes Convertible Note

On October 8, 2014, the Company entered into a Note Purchase Agreement and Convertible Promissory Note with its affiliated company Araxes Pharma LLC ("Araxes") under which Araxes provided a $2,000,000 loan in the form of a convertible promissory note. The note contains interest computed at a rate of 8%, compounded annually, with a maturity date of the earliest to occur of: (i) December 31, 2015, (ii) upon a change in control, as defined in the agreement, or (iii) upon defined events of default. Interest is due and payable on the maturity date. Prepayment of principal or interest is not allowed on the note without the prior written consent of Araxes. The note is automatically converted into such class of stock of the Company issued upon the completion of a qualified initial public offering ("IPO") or upon the completion of a qualified financing, as defined in the agreement, in an amount equal to the total unpaid principal and interest divided by the price per share offered to the public in the qualified IPO or the price per share of the equity securities paid by other investors in a qualified financing. The Convertible Promissory Note contains customary events of default, and is recorded at its redemption amount, or at cost, within notes payable- related party, current on the Company's Balance Sheet.

Araxes Asset Purchase Agreement – Convertible Note

As consideration for the patents acquired under the Araxes Asset Purchase agreement entered into on December 23, 2014 (described further in Note 7), Araxes issued a convertible promissory note equal to the purchase price of the patent rights of $500,000. The note contains interest computed at a rate of 8% with a maturity date of the earliest to occur: (i) of May 31, 2016 (ii) upon a change in control, as defined in the agreement, or (iii) upon defined events of default. The note may not be prepaid. The note will automatically convert into such class of stock of the Company issued upon the completion of a qualified equity financing at the lowest per share price offered in the round. The Convertible Promissory Note contains customary events of default, and is recorded at its redemption amount within notes payable-related party, noncurrent on the Company's Balance Sheet.

Total notes payable and unamortized discount balances are as follows:

	December 31, 2014
Face value of convertible notes	$ 2,500,000
Accrued interest	36,483
Debt issuance costs associated with fair value of derivative	(7,500)
Total	$ 2,528,983
Less: current portion	(2,035,565)
Total convertible notes, long-term	$ 493,418

7. License and Asset Purchase Agreements

Janssen License Agreement

On December 18, 2014, the Company entered into a license agreement with Janssen Pharmaceutica NV ("Janssen"), a foreign entity headquartered in Belgium and an affiliate of Johnson & Johnson, Inc., under which the Company received certain intellectual property rights related to tipifarnib in the field of oncology for a non-refundable $1,000,000 upfront license fee and payments upon achievement of certain development and sales-based milestones. Tipifarnib is a clinical stage compound and all ongoing development, regulatory and commercial work will be completed fully and at the sole expense of the Company. Under the license agreement, Janssen has a first right to negotiate for an exclusive license back from the Company to develop and commercialize tipifarnib on terms to be negotiated in good faith. Janssen may exercise this right of first negotiation during a 60-day period following delivery of clinical data as specified in the agreement.

The agreement will terminate upon the last-to-expire patent rights or last-to-expire royalty term, or may be terminated by the Company with 180 days written notice of termination. Either party may terminate the agreement in the event of material breach of the agreement that is not cured within 45 days. Janssen may also terminate the agreement due to the Company's lack of diligence that is not cured within a three-month period.

The upfront license fee was paid in January 2015. Subsequent to such payment, in accordance with the agreement the Company entered into a convertible promissory note with Janssen's affiliated company, Johnson & Johnson Innovation – JJDC, Inc. ("JJDC") as described further in Note 13. Due to the long-term nature of the note, the full amount of the unpaid upfront fee is included within other long-term liabilities on the Company's Balance Sheet as of December 31, 2014.

The University of Michigan License Agreement

On December 22, 2014, the Company entered into a license agreement with The Regents of The University of Michigan ("Michigan") under which the Company received certain license rights for a non-refundable upfront license, annual maintenance fees and payments upon achievement of certain development and sales-based milestones. The licensed asset consists of a number of compounds, which are in the lead discovery/lead optimization phase. All future development, regulatory and commercial work on the asset will be completed fully and at the sole expense of the Company. Michigan retains the right to use the asset for non-commercial research, internal and/or educational purposes, with the right to grant the same limited rights to other non-profit research institutions. Furthermore, the agreement, as amended on March 3, 2015, stipulates contingent consideration for the issuance of shares equivalent to a set dollar value upon the occurrence of a qualified capital stock financing or a change of control event, as defined in the amended agreement, consistent with the terms issued to any future investors or the per share consideration to be received by other shareholders. See Note 13 for further discussion.

The agreement will terminate upon the last-to-expire patent rights, or may be terminated by the Company at anytime with 90 days written notice of termination or terminated by Michigan upon a bankruptcy by the Company, payment failure by the Company that is not cured within 30 days or a material breach of the agreement by the Company that is not cured within 60 days.

The University of San Francisco License Agreement

On November 21, 2014, the Company entered into a license agreement with UCSF under which the Company received certain license rights. The agreement provided for an upfront payment as well as contingent milestone payments. Additionally, the agreement provides for a one-time indexed milestone payment upon the occurrence of an initial public offering or a change of control event following a qualified financing, as defined in the agreement. The indexed milestone was determined to qualify as an embedded derivative liability requiring an estimate of fair value. See Note 2 for further detail.

Collectively, the license agreements with Janssen, Michigan and UCSF provided for non-refundable upfront payments totaling $1,075,000. Each of these license agreements was individually deemed an asset acquisition, which required the Company to expense the full upfront acquisition price due to the preliminary stage of development and no identified alternative future use upon the agreement execution date. The expense is included within research and development expenses in the Company's Statement of Operations and Comprehensive Loss. In addition, the license agreements collectively provide for specified development, regulatory and sales-based milestone payments up to a total of $81,675,000 payable upon occurrence of each stated event, of which $1,175,000 relates to the initiation of certain development activities, $30,500,000 relates to the achievement of specified regulatory approvals for the first indication and up to $50,000,000 for the achievement of specified levels of product sales. Additional payments will be due for each subsequent indication if specified regulatory approvals are achieved. All milestone payments under the agreement will be recognized as research and development expense upon completion of the required events because the triggering events are not considered to be probable until they are achieved. As of December 31, 2014, the Company has not achieved any milestones under the agreements. Furthermore, if all the programs are successfully commercialized, the Company will be required to pay tiered royalties on annual net product sales ranging from the low single digits to the low teens, depending on the volume of sales and the respective agreement.

Araxes Asset Purchase Agreement

On December 23, 2014, the Company entered into an asset purchase agreement with Araxes under which the Company purchased certain early stage patent rights related to compounds in the field of oncology for a purchase price of $500,000 payable under a convertible promissory note. All ongoing development, regulatory and commercial work will be completed fully and at the sole expense of the Company. The agreement allows for contingent milestone payments of

$9,650,000 throughout development and commercialization of the asset, of which $1,150,000 relates to the initiation of certain development activities, and $8,500,000 relates to the submission of certain regulatory filings and receipt of certain regulatory approvals. Additional payments will be due for each subsequent indication if specified regulatory approvals are achieved. The Company will recognize the milestones as expense when each event occurs. As of December 31, 2014, the Company has not achieved any milestones under the agreement. Furthermore, if the program is successfully commercialized, the Company will be required to pay tiered royalties on annual net product sales ranging in the low single digits, depending on the volume of sales.

The transaction was deemed an asset acquisition, which required the Company to expense the full upfront acquisition price due to the preliminary stage of development and no identified alternative future use upon the agreement execution date and is included within research and development expenses, related party in the Company's Statement of Operations and Comprehensive Loss. All additional milestone payments under the agreement will be recognized upon completion of the required events because the triggering events will not be considered to be probable until they are achieved.

8. Commitments and Contingencies

On August 29, 2014, the Company entered into a sublease agreement (the "sublease") with its affiliated company, Araxes, for office space for a monthly rent of $4,680 per month. The lease includes rent escalation of 3% per year. The lease was amended on December 18, 2014 for monthly rent of $4,820 per month and retrospectively applied from September 1, 2014 in accordance with the agreement. In addition to the base monthly rent, the Company is obligated to pay for operating expenses, taxes, insurance, and utilities applicable to the subleased property. The sublease will expire on August 30, 2016.

On September 30, 2014, the Company entered into a lease agreement (the "lease") with Regus for office space located in Cambridge, Massachusetts. The lease commenced on October 6, 2014 with monthly rent of $4,785 per month. Rent expense is recognized using the straight-line method over the term of the lease. In addition to the base monthly rent, the Company is obligated to pay for operating expenses, taxes, insurance and utilities applicable to the leased property. The lease will expire on October 31, 2016.

Future minimum payments required under the leases as of December 31, 2014 are summarized as follows:

Year Ending December 31,	
2015	$ 111,062
2016	87,573
Total minimum lease payments	$198,635

Total lease expense for the period from August 22, 2014 (inception) to December 31, 2014 was $27,249.

The Company is obligated to make a charitable gift of $285,000 to the Leukemia and Lymphoma Society in connection with the Michigan agreement described in Note 7 to be paid in three equal parts: the first part due in January 2015, the second part due in January 2016 and the final part due in January 2017. The full amount of the charitable gift has been accrued as of December 31, 2014.

9. Stockholders' Equity

Common Stock

As of December 31, 2014, 1,113,000 shares were reserved for future issuance pursuant to shares authorized for future option grants. In addition, the Company has $2,500,000 in principal of outstanding convertible promissory notes, issued in October and December 2014, that are convertible into stock upon the occurrence of various future events at prices that are not determinable until the occurrence of those future events.

Restricted Stock Awards

In August 2014, the Company adopted the 2014 Equity Incentive Plan ("the 2014 Plan"). A total of 11,000,000 shares were initially reserved for issuance under the 2014 Plan. The 2014 Plan provides equity-based incentives in the form of stock awards to employees and other providers of services to the Company. The 2014 Plan provides for the grant of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and other stock awards to eligible recipients. Recipients of incentive stock options shall be eligible to purchase shares of the Company's

common stock at an exercise price equal to no less than the estimated fair market value of such stock on the date of grant. The maximum term of options to be granted under the Plan is ten years. No options were granted under the plan as of December 31, 2014.

Restricted stock awards were granted at a price equal to estimated fair market value. The restricted stock awards generally vest over four years from the original vesting date, with certain grants subject to one-year cliff vesting. The vesting provisions of individual awards may vary as approved by the Company's Board of Directors. In connection with the issuance of restricted common stock, the Company maintains a repurchase right where shares of restricted common stock are released from such repurchase right over a period of time of continued service by the recipient. The following is a summary of restricted share activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Balance at August 22, 2014 (Inception)	—	$ —
Granted	9,887,000	$ 0.001
Vested	(821,252)	
Unvested at December 31, 2014	9,065,748	$ 0.001
Vested at December 31, 2014	821,252	$ 0.001

The shares purchased by the recipients pursuant to unvested restricted stock awards are not deemed, for accounting purposes, to be outstanding until those shares vest. The cash received in exchange for unvested shares related to stock awards granted is recorded as a liability for the early exercise of stock options on the accompanying balance sheet and will be transferred into common stock and additional paid-in capital as the shares vest. As of December 31, 2014, the Company recorded $12,786 of liability associated with shares issued with repurchase rights. As of December 31, 2014, there were 9,065,748 shares subject to repurchase, and 1,113,000 of common stock reserved for future stock awards under the 2014 Plan. The Company recognized $236,618 in share-based compensation expense related to the vested portion of the restricted stock awards granted to non-employees for the period from August 22, 2014 (inception) to December 31, 2014.

10. Related Party Transactions

The Company's president and chief executive officer is also the managing member of its affiliated company, Araxes. Four individuals are significant stockholders of each of the Company and Araxes. The following is a summary of all transactions with Araxes from August 22, 2014 (inception) to December 31, 2014.

Convertible Promissory Notes

As described in Note 6, the Company entered into a Note Purchase Agreement and Convertible Promissory Note with Araxes under which Araxes provided a $2,000,000 loan in the form of a convertible promissory note. The note is included within notes payable, related party, current on the Company's Balance Sheet.

Additionally, in conjunction with the asset purchase agreement with Araxes described in Note 7, the Company purchased assets for an upfront purchase price of $500,000 payable under a convertible promissory note. This amount is included with research and development expenses, related party on the Company's Statement of Operations and Comprehensive Loss. Additionally, the note is included within notes payable, related party, noncurrent on the Company's Balance Sheet.

Facility Sublease

As noted in Note 8, the Company subleases office space from Araxes for a monthly rent of $4,820 per month. In addition to the base monthly rent, the Company is obligated to pay for operating expenses, taxes, insurance, and utilities applicable to the subleased property. Rent expense related to this sublease for the period from August 22, 2014 (inception) to December 31, 2014 was $14,906. The sublease will expire on August 30, 2016.

Management Fees

The Company has a management services agreement with Araxes under which Araxes pays the Company a fixed $100,000 a month for management services. In addition, the agreement allows for Araxes to pay the Company an amount equal to the number of full time equivalents ("FTE") performing collaboration services for Araxes, at an FTE rate of $350,000, plus

actual expenses as reasonably incurred. The agreement has an initial term expiring on December 31, 2015 and renews automatically for additional consecutive one-year periods. The agreement may be terminated by either party with a notice of at least 30 days prior to December 31, 2015 or the expiration of the then-renewal term.

Services Agreement

The Company has a services agreement with Araxes which allows for payment of research and development services provided to the Company of an amount equal to the number of FTE's performing the services, at an FTE rate of $400,000, plus actual expenses as reasonably incurred. This services agreement has an initial term expiring on December 31, 2015 and renews automatically for additional consecutive one-year periods. The agreement may be terminated by either party with a notice of at least 30 days prior to December 31, 2015 or the expiration of the then-renewal term.

11. Employee Benefit Plan

The Company has a defined contribution 401(k) plan (the Plan) for all employees. Employees are eligible to participate in the Plan if they are at least 21 years of age or older. Under the terms of the Plan, employees may make voluntary contributions as a percentage of compensation.

12. Income Taxes

The Company was incorporated on August 22, 2014 and will file tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company's 2014 tax year will be subject to examination by the federal and state jurisdictions where applicable. The Company has not been, nor is it currently, under examination by the federal or any state tax authority.

The Company's effective income tax differs from the statutory federal rate of 34% at December 31, 2014 due to the following:

	Period from August 22, 2014 (Inception) to December 31, 2014
Benefit for income taxes at statutory federal rate	$ (1,248,230)
State income tax (benefit), net of federal benefit	(224,752)
Share-based compensation	80,450
Research and development tax credits	(28,288)
Other	13,307
Valuation allowance	1,407,513
Income tax expense	$ —

Significant components of the Company's deferred tax assets at December 31, 2014 are shown below:

	December 31, 2014
Deferred tax assets	
Intangibles	$ 731,622
Net operating loss carryforwards	441,622
Research and development tax credit carryforwards	28,288
Accruals	204,608
Other	1,373
Total deferred tax assets	1,407,513
Less valuation allowance	(1,407,513)
Net deferred tax assets	$ —

At December 31, 2014, the Company had federal and state net operating loss carryforwards of $1,087,279 and $1,248,532 respectively. The federal and state loss carryforwards begin to expire in 2034, unless previously utilized. The Company also has federal and state research credit carryforwards of $17,919 and $15,710, respectively. The federal and Massachusetts research credits will begin expiring in 2034 and 2029, respectively, unless previously utilized. The California research credit will carryforward indefinitely.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use existing deferred tax assets. Based on the weight of the evidence, including the Company's limited existence and losses since inception, management has determined that it is more likely than not that the deferred tax assets will not be realized. A valuation allowance of $1,407,513 for the period ended December 31, 2014 has been established to offset the deferred tax assets as realization of such assets is uncertain.

Pursuant to Internal Revenue Code (IRC) Sections 382 and 383, annual use of the Company's net operating loss and research and development credit carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has not completed an IRC Section 382/383 analysis regarding the limitation of net operating loss and research and development credit carryforwards. The Company does not expect this analysis to be completed within the next 12 months. Due to the existence of the valuation allowance, future changes in the Company's unrecognized tax benefits will not impact the Company's effective tax rate. Any carryforwards that will expire prior to utilization as a result of such limitations will be removed from deferred tax assets, with a corresponding reduction of the valuation allowance.

The impact of an uncertain income tax position is recognized at the largest amount that is "more likely than not" to be sustained upon audit by the relevant taxing authority. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. There are no unrecognized tax benefits included in the Company's balance sheet at December 31, 2014. The Company's practice is to recognize interest and penalties related to income tax matters in income tax expense. The Company has not recognized interest or penalties in its statements of operations for the period ended December 31, 2014.

The Company does not expect that there will be a significant change in the unrecognized tax benefits over the next twelve months. Due to the existence of the valuation allowance, future changes in the Company's unrecognized tax benefits will not impact the Company's effective tax rate.

13. Subsequent Events

The Company evaluated all events or transactions that occurred after the balance sheet date of December 31, 2014 through March 12, 2015.

Note Purchase Agreement

On January 12, 2015, the Company entered into a Note Purchase Agreement and Convertible Promissory Note with various persons and entities named within the agreement ("the Holders") under which the Holders provided a $3,000,000 loan in the form of a convertible promissory note ("the Note") to be used solely to fund the operations of the Company. The Note contains interest computed at a rate of 8%, compounded annually, with a maturity date of the earliest to occur of: (i) December 31, 2015, (ii) upon a change in control, as defined in the agreement, or (iii) upon defined events of default. Interest is due and payable on the maturity date. Prepayment of principal or interest is not allowed on the Note without the prior written consent of the holders. The Note is mandatorily convertible into such class of stock of the Company issued upon the completion of a qualified initial public offering or qualified financing, as defined in the agreement, in an amount equal to the total unpaid principal and interest divided by the price per share offered to the public in the qualified IPO or the price per share of the equity securities paid by other investors in a qualified financing.

Convertible Promissory Note

On January 20, 2015, in accordance with the Janssen license agreement described in Note 7, the Company entered into a Convertible Promissory Note with JJDC for $1,000,000. The note contains interest computed at a rate of 8% with a maturity date of the earliest to occur of: (i) May 31, 2016, (ii) upon a change in control, as defined in the agreement, or (iii) upon defined

events of default. Interest is due and payable on the maturity date, with prepayment of principal or interest not allowed. The note will automatically convert into such class of shares of the Company issued upon the completion of a qualified equity financing at the lowest per share price offered in the round.

February 2015 Note Purchase Agreement

On February 11, 2015, the Company entered into a Note Purchase Agreement and Convertible Promissory Notes with entities named within the agreement ("the February 2015 Note Holders") under which the February 2015 Note Holders provided totaling $1,000,000 loan in the form of convertible promissory notes. These Convertible Promissory Notes contain interest computed at a rate of 8%, compounded annually, with a maturity date of the earliest to occur of: (i) December 31, 2015, (ii) upon a change in control, as defined in the agreement, or (iii) upon defined events of default. Interest is due and payable on the maturity date. Prepayment of principal or interest is not allowed on the note without the prior written consent of the holders. The notes will automatically convert into such class of stock of the Company issued upon the completion of a qualified initial public offering or qualified financing, as defined in the agreement, in an amount equal to the total unpaid principal and interest divided by the price per share offered to the public in the qualified IPO or the price per share of the equity securities paid by other investors in a qualified financing.

Sponsored Research Agreement

On February 15, 2015, the Company entered into a Sponsored Research Agreement with Michigan under which the Company will sponsor up to $2,725,000 of research at Michigan over a three-year period. The Company will receive an non-exclusive right to any technology developed under the agreement and has an option right for an exclusive right to any such licenses developed under the agreement. The Sponsored Research Agreement allows for termination with notice at any time by the Company. In the event of termination by the Company prior to the second anniversary of the agreement, other than due to breach by Michigan, the Company will be required to pay costs budgeted through the second anniversary up to $2,000,000 of the sponsored research amount. Any costs incurred for the Sponsored Research Agreement will be expensed as incurred.

Michigan Amended License Agreement

On March 3, 2015, the Company and Michigan entered into an amendment to the Michigan license agreement which redefined a qualified financing as the first sale of the Company's capital stock in which the Company receives certain gross proceeds from the financing. The sale of the Company's common stock on March 6, 2015 as described below was a qualified financing.

Merger and Private Financing

On March 6, 2015, the Company, Zeta Acquisition Corp. III, a public shell company ("Zeta"), and Kura Operations, Inc., a wholly-owned subsidiary of Zeta ("Merger Sub"), entered into an Agreement and Plan of Merger dated March 6, 2015 (the "Merger Agreement"). Pursuant to the Merger Agreement, Merger Sub merged with and into the Company, with the Company remaining as the surviving entity and a wholly-owned operating subsidiary of Zeta (the "Merger"). At the effective time of the Merger (the "Effective Time"), the name of the Company was changed to Kura Operations, Inc. Immediately following the Effective Time, a newly organized wholly-owned subsidiary of Zeta named "Kura Oncology, Inc." merged with and into Zeta, with the surviving entity named Kura Oncology, Inc. ("Parent").

Pursuant to the terms of the Merger Agreement, at the Effective Time, each share of common stock of the Company outstanding immediately prior to the Effective Time was exchanged for one-half (0.5) of a share of common stock of Parent. Parent issued an aggregate of 14,508,177 shares of Kura common stock upon such exchange of the issued shares of the Company common stock. In addition, at the Effective Time, Parent assumed the Company's 2014 Plan. As of the Effective Time, there were no outstanding options to purchase shares of the Company common stock under the 2014 Plan.

Immediately prior to the Merger, on March 6, 2015, the Company sold to investors 16,561,396 shares of its common stock at a price of $3.16 per share for gross proceeds of $52,334,011 (the "New Money Financing"). The New Money Financing represented a qualified financing conversion event pursuant to the outstanding convertible promissory notes. As such, upon closing the New Money Financing, $7,500,000 in principal and $114,849 in accrued interest through February 28, 2015 automatically converted into 2,409,740 shares of the Company's common stock.

The Company is considered the accounting acquirer in the Merger and will account for the transaction as a capital transaction because the Company's stockholders received 100% of the voting rights in the combined entity and the Company's senior management represents all of the senior management of the combined entity.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are based on the historical financial statements of Kura Oncology, Inc. (Kura) for the period from August 22, 2014 (Inception) to December 31, 2014 and the historical financial statements of Zeta Acquisition Corp. III (the Company) for the year ended December 31, 2014. The historical financial statements of Kura for the period from August 22, 2014 (inception) to December 31, 2014 are included as Exhibit 99.1 to this Current Report on Form 8-K. The unaudited pro forma condensed combined statement of operations gives effect to the merger of Kura Operations, Inc., a wholly owned subsidiary of the Company (Merger Sub) with and into Kura, which was consummated on March 6, 2015 (the Merger), as if it had occurred on August 22, 2014 (Kura's inception).

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2014
Of
Kura Oncology, Inc. and Zeta Acquisition Corp. III

	Kura Oncology, Inc.	Zeta Acquisition Corp. III	Pro Forma Adjustments	New Money Financing, net	Pro Forma Combined
Assets					
Current assets:					
Cash	$ 1,123,864	$ 5,613	$ (5,613)(a)	$49,263,964(l)	$54,287,828
			(100,000)(d)		
			3,000,000(e)		
			1,000,000(g)		
Accounts receivable, related party	30,139	—	—	—	30,139
Prepaid expenses	42,562	—	—	—	42,562
Total current assets	1,196,565	5,613	3,894,387	49,263,964	54,360,529
Property and equipment, net	26,646	—	—	—	26,646
Other long-term assets	149,949	—	—	—	149,949
Other long-term assets, related party	4,680	—	—	—	4,680
Total assets	$ 1,377,840	$ 5,613	$ 3,894,387	$49,263,964	$54,541,804
Liabilities and Stockholders' Deficit					
Current liabilities:					
Accounts payable and accrued expenses	$ 832,933	$ 35,304	$ (35,304)(a)	$ —	$ 832,933
Accounts payable, related party	134,563	—	—	—	134,563
Convertible notes payable, related party, current	2,035,565	—	515,365(e)	—	—
			27,555(h)		
			(2,578,485)(j)		
Convertible notes payable	—	—	2,516,130(e)	—	—
			1,003,945(g)		
			(3,520,075)(j)		
Notes payable, stockholders	—	125,000	(125,000)(a)	—	—
Other current liabilities	12,786	—	—	—	12,786
Total current liabilities	3,015,847	160,304	(2,195,869)		980,282
Convertible note payable	—	—	1,008,767(f)	—	—
			(1,008,767)(j)		
Convertible notes payable, related party	493,418	—	6,534(h)	—	—
			(499,952)(j)		
Other long-term liabilities	1,294,559	—	(1,000,000)(f)	—	465,326
			170,767(i)		
Other long-term liabilities, related party	7,500	—	(7,500)(j)	—	—
Total liabilities	4,811,324	160,304	(3,526,020)	—	1,445,608
Stockholders' deficit:					
Common stock	821	500	(500)(a)	828(l)	998
			(780)(b)		
			121(j)		
			8(k)		
Additional paid in capital	236,961	49,500	(49,500)(a)	49,263,136(l)	57,515,521
			780(b)		
			(100,000)(d)		
			7,614,658(j)		
			499,986(k)		
Accumulated deficit	(3,671,266)	(204,691)	204,691(a)	—	(4,420,323)
			(31,495)(e)		
			(8,767)(f)		
			(3,945)(g)		
			(34,089)(h)		
			(170,767)(i)		
			(499,994)(k)		
Total stockholders' deficit	(3,433,484)	(154,691)	7,420,407	49,263,964	53,096,196
Total liabilities and stockholders' deficit	$ 1,377,840	$ 5,613	$ 3,894,387	$49,263,964	$54,541,804

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Period from August 22, 2014 (Inception) to December 31, 2014
Of
Kura Oncology, Inc. and For the Year Ended December 31, 2014 of Zeta Acquisition Corp. III

	Kura Oncology, Inc.	Zeta Acquisition Corp. III	Pro Forma Adjustments	Pro Forma Combined
Operating expenses:				
Research and development	$ 2,028,227	$ —	$ —	$ 2,028,227
Research and development, related party	624,565	—	—	624,565
General and administrative	1,261,621	23,907	—	1,285,528
General and administrative, related party	19,734	—	—	19,734
Total operating expenses	3,934,147	23,907	—	3,958,054
Other income (expense):				
Management fee income, related party	300,000	—	—	300,000
Interest expense, related party	(37,119)	—	—	(37,119)
Interest expense	—	(6,827)	—	(6,827)
Total other income (expense)	262,881	(6,827)	—	256,054
Net loss	$(3,671,266)	$ (30,734)	$ —	$(3,702,000)
Net loss per common share, basic and diluted	$ (12.99)	$ —	$ —	$ (0.38)
Weighted average common shares outstanding, basic and diluted	282,613	—	9,423,372(c)	9,705,985

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET AND STATEMENT OF OPERATIONS
As of December 31, 2014
Of
Kura Oncology, Inc. and Zeta Acquisition Corp. III

(1) DESCRIPTION OF TRANSACTIONS AND BASIS OF PRESENTATION:

Pursuant to an Agreement and Plan of Merger dated March 6, 2015 (the Merger Agreement), by and among the Company, Merger Sub and Kura, Merger Sub merged with and into Kura, with Kura remaining as the surviving entity and a wholly-owned operating subsidiary of the Company. The Merger was effective on March 6, 2015, upon the filing of a Certificate of Merger with the Secretary of State of the State of Delaware. As part of the Merger, Merger Sub changed its name to Kura Oncology, Inc.

At the effective time of the Merger (the Effective Time), the legal existence of Merger Sub ceased and each share of Kura common stock that was issued and outstanding immediately prior to the Effective Time was automatically exchanged for 0.5 shares of the Company's common stock. The Company issued an aggregate of 14,508,177 shares of common stock upon such exchange of the outstanding shares of Kura common stock. On a pro forma basis, upon completion of the Merger, there are 14,508,177 shares of Kura issued and 9,975,303 shares outstanding, excluding 4,532,874 shares subject to repurchase.

Further, Kura's officers and directors became the officers and directors of the Company and the Company adopted the business plan of Kura. Kura is the accounting acquirer (legal acquiree) and the Company is the accounting acquiree (legal acquirer).

Since at completion of the Merger, the Company was a shell corporation, the transaction is being accounted for as a capital transaction. In addition, on March 6, 2015, Kura completed a private placement, in which Kura issued 16,561,396 shares of Kura common stock resulting in gross proceeds of approximately $52.3 million (the New Money Financing). The New Money Financing represented a qualified financing conversion event pursuant to the outstanding convertible promissory notes. As such, upon the closing of the New Money Financing, $7.5 million in principal and $0.1 million in accrued interest automatically converted into an aggregate of 2,409,740 shares of Kura common stock. The shares issued pursuant to the New Money Financing and automatic conversion of convertible promissory notes are included in the shares exchanged for each share of Kura common stock outstanding immediately prior to the Effective Time for one-half (0.5) of a share of common stock of the Company. The Pro Forma Condensed Combined Balance Sheet is presented as if the Merger and New Money Financing occurred on December 31, 2014 and the Statement of Operations for the year ended December 31, 2014 are presented as if the Merger and New Money Financing occurred at August 22, 2014, Kura's inception.

(2) PRO FORMA ADJUSTMENTS:

a) To eliminate the historical stockholders' equity accounts of the Company, the accounting acquiree. Also, to record the drawdown of the Company's assets and the liquidation of its liabilities at the time of the Merger per the Merger Agreement.

b) To adjust common stock for the 0.5 for 1 exchange at the time of the Merger and record common stock of the Company at a par value of $0.0001 per share.

c) To record shares issued in connection with the New Money Financing, including the conversion of convertible notes, and exchanged for the Company's common stock on a 0.5 to 1 basis. Also, to record the redemption of the Company's common shares outstanding of 5,000,000 in connection with the Merger.

d) To record the payment of $100,000, including $30,000 in fees and expenses, to redeem the shares of common stock of the Company outstanding immediately prior to the Merger.

e) To record the issuance of a convertible note payable on January 12, 2015 to various persons and entities and to accrue interest for the period of January 12, 2015 to February 28, 2015.

f) To record the conversion of $1.0 million liability into a convertible note payable on January 20, 2015 pursuant to the terms of the Janssen license agreement and to accrue interest for the period from January 20, 2015 to February 28, 2015.

g) To record the issuance of convertible notes payable on February 11, 2015 to entities named within the notes and to accrue interest for the period of February 11, 2015 to February 28, 2015.

h) To accrue interest on convertible notes payable with related party for the period of January 1, 2015 to February 28, 2015.

i) To record contingent consideration associated with the indexed milestone payment under the UCSF license agreement. This payment would be triggered upon the occurrence of an initial public offering or a change in control event following a qualified financing, as defined in the agreement.

j) To record the conversion of convertible promissory notes and related accrued interest into Kura common stock at $3.16 per share, followed by the exchange of such shares for shares of common stock of the Company with a par value of $0.0001 per share.

k) To record contingent consideration triggered by the New Money Financing pursuant to the terms of the Michigan license agreement, as amended, and to record the conversion of such liability into Kura common share at $3.16 per share, followed by the exchange of such shares for shares of common stock of the Company with a par value of $0.0001 per share.

l) To record the shares of Kura common stock issued on March 6, 2015 at $3.16 per share, net of placement fee, and exchanged for common stock of the Company on a 0.5 for 1 basis with a par value of $0.0001 per share.

KURA ONCOLOGY ANNOUNCES LICENSE AGREEMENT WITH JANSSEN PHARMACEUTICA FOR DEVELOPMENT AND COMMERCIALIZATION OF TIPIFARNIB; CLOSES $60 MILLION PRIVATE PLACEMENT AND COMPLETES REVERSE MERGER

LA JOLLA, March 12, 2015 – Kura Oncology, Inc. ("Kura Oncology" or the "Company"), a clinical stage biopharmaceutical company advancing a pipeline of precision medicines for the treatment of solid tumors and blood cancers, today announced several milestones.

LICENSE AGREEMENT WITH JANSSEN PHARMACEUTICA

The Company announced it has entered into an agreement with Janssen Pharmaceutica NV for an exclusive license to develop and commercialize tipifarnib in the field of oncology. Tipifarnib, a protein farnesyl transferase inhibitor, is a Phase 2-ready program that has demonstrated encouraging clinical activity in certain cancer patient populations and that may be further optimized using an appropriate patient selection strategy.

Under the terms of the agreement, Kura Oncology assumes sole responsibility for development and commercialization of tipifarnib in the field of oncology. Kura Oncology intends to advance tipifarnib into Phase 2 clinical trials in 2015 to evaluate its activity in patient populations where certain solid tumors are driven by activating mutation in the oncogene HRAS as well as in patients with hematologic malignancies.

$60 MILLION PRIVATE PLACEMENT

In addition, Kura Oncology announced that it completed a private placement of its common stock to new institutional investors and existing investors that resulted in gross proceeds of approximately $60 million to the Company, including approximately $7.5 million in bridge notes that converted into common stock at the closing. EcoR1 Capital was the lead investor in this financing, which included significant participation from Fidelity Management & Research Company, ARCH Venture Partners, Boxer Capital of Tavistock Life Sciences, Partner Fund Management, Nextech Invest, as well as a number of other well-known healthcare investors. Proceeds from the private placement will be used for the development of the Company's drug candidates, including tipifarnib, as well as preclinical pipeline programs.

"Tipifarnib has demonstrated compelling and durable anti-cancer activity in certain patient subsets and represents a promising clinical development opportunity with the right patient selection strategy," said Troy Wilson, Ph.D., J.D., President and Chief Executive Officer of Kura Oncology. "We intend to leverage advances in next-generation sequencing as well as emerging information about cancer genetics to identify patients most likely to benefit from tipifarnib." Dr. Wilson added, "We are additionally pleased to be able to attract the support of such a high caliber group of institutional healthcare investors. We expect the proceeds

from this financing will allow us to rapidly move forward with the clinical development of tipifarnib as well as advance our preclinical programs towards the clinic."

Leerink Partners LLC served as lead placement agent and National Securities Corporation, a wholly owned subsidiary of National Holdings, Inc. (NASDAQ:NHLD) and Livingston Securities LLC served as co-placement agents for the private placement.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

REVERSE MERGER AND PUBLIC REPORTING COMPANY

In conjunction with the private placement, Kura Oncology completed a reverse merger with Zeta Acquisition Corp III, a public reporting company with no prior business operations. Stockholders of Kura Oncology, including those that participated in the private placement, received shares of Zeta Acquisition in exchange for their Kura Oncology shares, and the former Kura Oncology stockholders now hold 100 percent of the resulting company's equity in the same proportion as the stockholders owned immediately following the private placement. Zeta Acquisition has been renamed Kura Oncology, Inc. and will implement the pre-merger business plan of Kura Oncology. Kura Oncology intends to file a registration statement covering the resale of shares of common stock held by new and existing shareholders within 60 days after the closing. Following the effectiveness of that registration statement, Kura Oncology will seek to have its common stock quoted on the OTC Markets.

ABOUT TIPIFARNIB

Kura Oncology's lead program, tipifarnib, is an inhibitor of farnesylation, a key cell signaling process implicated in cancer initiation and development. In extensive clinical trials, tipifarnib has shown compelling and durable anti-cancer activity in certain patient subsets and a well-established safety profile. Preclinical and clinical data suggest that, in the right genetic context, tipifarnib has the potential to provide significant benefit to cancer patients with limited treatment options. Leveraging advances in next-generation sequencing as well as emerging information about cancer genetics, Kura Oncology will seek to identify patients most likely to benefit from tipifarnib. The company plans to initiate a Phase 2 clinical trial of tipifarnib in patients who have tumors characterized by HRAS mutations in the second quarter of 2015 and a Phase 2 clinical trial in patients with peripheral T-cell lymphomas in the third quarter of 2015.

ABOUT KURA ONCOLOGY

Kura Oncology is a clinical-stage biopharmaceutical company focused on the discovery and development of precision medicines for the treatment of solid tumors and blood cancers. Kura Oncology brings together a proven team of drug developers and biotech

entrepreneurs, including Troy Wilson, Ph.D., J.D., President and CEO, Kevan Shokat, Ph.D., Professor of Molecular and Cellular Pharmacology at UCSF and Chairman of the Kura Oncology Scientific Advisory Board, Yi Liu, Ph.D., Chief Scientific Officer, Pingda Ren, Ph.D., Senior Vice President of Chemistry and Pharmaceutical Sciences and Antonio Gualberto, M.D., Ph.D., Chief Medical Officer. Kura Oncology's diverse pipeline consists of small molecules that target cancer signaling pathways where there is a strong scientific and clinical rationale to improve outcomes by identifying those patients most likely to benefit from treatment. Kura Oncology's approach to drug development is focused on rapidly translating novel science into life-saving medicines. More information is available at www.kuraoncology.com.

FORWARD LOOKING STATEMENTS

This news release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding, among other things, the efficacy, safety and intended utilization of Kura Oncology's product candidates, the conduct and results of future clinical trials, plans regarding regulatory filings, plans to seek to have the Company's common stock quoted in the OTC Markets, and future research and clinical trials. Factors that may cause actual results to differ materially include the risk that product candidates that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in larger-scale or later clinical trials, trials may have difficulty enrolling, Kura Oncology may not obtain approval to market its product candidates, uncertainties associated with regulatory filings and applications, the risks associated with reliance on outside financing to meet capital requirements, and the risks associated with reliance on collaborative partners for further clinical trials, development and commercialization of product candidates. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking. For a further list and description of the risks and uncertainties the Company faces, please refer to the Company's periodic and other filings with the Securities and Exchange Commission, which are available at www.sec.gov. Such forward-looking statements are current only as of the date they are made, and Kura Oncology assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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