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As filed with the Securities and Exchange Commission on September 25, 2014.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

COHERUS BIOSCIENCES, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**2836**	**27-3615821**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

201 Redwood Shores Parkway, Suite 200
Redwood City, CA 94065
(650) 649-3530
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Dennis M. Lanfear
President and Chief Executive Officer
Coherus BioSciences, Inc.
201 Redwood Shores Parkway, Suite 200
Redwood City, CA 94065
(650) 649-3530
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Proposed maximum aggregate offering price[(1)]**	**Amount of registration fee**
Common Stock, $0.0001 par value per share	$86,250,000	$11,109

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes shares that the underwriters have the option to purchase.

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

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

Subject to completion, dated September 25, 2014

Prospectus

shares

Common Stock

This is an initial public offering of common stock by Coherus BioSciences, Inc. We are selling shares of common stock. The initial public offering price is expected to be between $ and $ per share.

Prior to this offering, there has been no public market for our common stock. We intend to apply for listing of our common stock on The NASDAQ Global Market under the symbol "CHRS."

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be subject to reduced public company reporting requirements.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to Coherus, before expenses	$	$

(1) See "Underwriting" for additional disclosure regarding underwriting discounts, commissions and estimated offering expenses.

We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of common stock.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 12.

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

The underwriters expect to deliver the shares of common stock to investors on , 2014.

J.P. Morgan **Credit Suisse**

Cowen and Company

, 2014

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Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Until , 2014 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Coherus BioSciences® and our logo are some of our trademarks used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and tradenames.

PROSPECTUS SUMMARY

The items in the following summary are described in more detail later in this prospectus. This summary provides an overview of selected information and does not contain all of the information you should consider before buying our common stock. Therefore, you should read the entire prospectus carefully, especially the "Risk Factors" section beginning on page 11 and our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. In this prospectus, unless the context otherwise requires, references to "we," "us," "our," "Coherus," or "Coherus BioSciences," refer to Coherus BioSciences, Inc. and its subsidiaries.

Overview

We are a late-stage clinical biologics platform company focused on the global biosimilar market. Biosimilars are an emerging class of protein-based therapeutics with high similarity to approved originator products on the basis of various physicochemical and structural properties, as well as in terms of safety, purity and potency. Our goal is to become a global leader in the biosimilar market by leveraging our team's collective expertise in key areas such as process science, analytical characterization, protein production and clinical-regulatory development. Since our founding in 2010, we have advanced one product candidate into Phase 3 clinical development, two others into or through Phase 1 clinical development and entered into partnerships with two global pharmaceutical companies.

The following chart summarizes key information regarding our current product candidate pipeline:

Candidate	Originator Product	Originator Approved Indications	Pre-clinical	Phase 1	Phase 3	Status / Anticipated Milestones	Coherus Commercial Rights
Anti-TNF Pipeline							
CHS - 0214	etanercept (Enbrel)	Ankylosing Spondylitis Juvenile Idiopathic Arthritis Psoriasis (PsO) Psoriatic Arthritis Rheumatoid Arthritis (RA)			→	Phase 3 clinical trials in RA and in PsO in progress / File MAA in E.U. in 2016	US only[1]
CHS-1420	adalimumab (Humira)	Ankylosing Spondylitis Behçet's disease Crohn's disease Juvenile Idiopathic Arthritis Psoriasis (PsO) Psoriatic Arthritis Rheumatoid Arthritis (RA) Ulcerative Colitis		→		Phase 1 study completed / Initiate Phase 3 clinical trials in 2015, file BLA in U.S. in 2016	Worldwide
Long Acting G-CSF Pipeline							
CHS-1701	pegfilgrastim (Neulasta)	Febrile neutropenia		→		Phase 1 (351(a)) completed / Initiate Phase 3 clinical trials in 2015, file BLA in U.S. in 2016	Worldwide

[1] The therapeutic protein in etanercept is subject to certain originator-controlled United States patents expiring in 2028 and 2029. Assuming these patents are valid and enforceable, and that we would be unable to obtain a license to them, we do not expect to commercialize CHS-0214 in the United States prior to their expiration.

Our clinical stage pipeline consists of two anti-inflammatory agents targeting tumor necrosis factor, or TNF, and a long-acting form of granulocyte colony-stimulating factor, or G-CSF. Our most clinically advanced anti-TNF product candidate, CHS-0214, is being developed as an etanercept (Enbrel) biosimilar that we have partnered with Baxter International Inc., Baxter Healthcare Corporation and Baxter Healthcare SA and Daiichi Sankyo Company, Limited to develop and commercialize in key markets outside of the United States. We are currently enrolling two Phase 3 clinical trials with CHS-0214 to support the planned filing of a marketing

application in Europe in 2016. Our second anti-TNF product candidate, CHS-1420, is being developed as an adalimumab (Humira) biosimilar. This product successfully completed a pivotal Phase 1 PK study in August 2014 by meeting the primary study endpoint. We plan to initiate a Phase 3 trial during the first half of 2015 to support the planned filing of a marketing application in the United States in 2016 and the European Union, or E.U., in 2017. Our long-acting G-CSF product candidate, CHS-1701, is being developed as a pegfilgrastim (Neulasta) biosimilar that we expect will begin Phase 3 clinical trials in the first half of 2015. We have retained full U.S. commercial rights to all of our product candidates and plan to seek strategic partnerships in territories outside of the United States.

Our team includes industry veterans with decades of experience in pioneering biologics companies, such as Amgen Inc., or Amgen, and Genentech Inc., or Genentech, where they were responsible for leading, and in some cases establishing, these organizations' core capabilities in process development, protein manufacturing and analytical research and development. Our business model places our internal team at the center of a coordinated development effort in which our senior team of experts focuses on the highly-specialized, strategic and technical aspects of biosimilar development that are core to our business and difficult to replicate. For other aspects of our operations that require greater scale or more capital-intensive investments, we have established a network of highly-competent external organizations and strategic partnerships that we believe will provide the competitive scale required to address the global biosimilar market opportunity. Many such collaborators are also our equity holders, which we believe results in a strategically aligned consortium designed to select, evaluate and develop biosimilar product candidates in an efficient, cost-effective manner.

Background on Biosimilars

The global market opportunity for biosimilars is emerging as a result of several factors. Through 2020, 24 "blockbuster" biologics, each with annual sales in excess of $1 billion, will lose patent exclusivity in at least one major pharmaceutical market. In response, regulatory agencies around the world have begun to define new approval pathways which we believe will help streamline the biosimilar approval process. Escalating healthcare costs and healthcare reforms have also been major drivers of the advancement of the biosimilar market, as governments and insurers are in search of mechanisms to contain costs and expand patient access without sacrificing quality of care. Consequently, we believe there is tremendous interest in bringing high-quality, lower-priced biologic therapeutics to market.

While the potential market opportunity is significant, biosimilar product development poses a number of challenges that distinguish it from traditional, small-molecule generic product development. Heterogeneity arising from the physicochemical complexity of biologic therapeutics creates significant technical and scientific challenges in the context of their replication as biosimilar products. An example of such variability is related to glycosylation, or the attachment of sugars at certain amino acids, which can be critical to the half-life, efficacy and safety of the therapeutic. Accordingly, heterogeneity and inherent variation is a fundamental consideration with respect to establishing biosimilarity to an originator product to support regulatory approval.

Our Approach

The essential elements of our platform that distinguish our development approach include:

- ***Advanced proprietary analytics.*** Regulators require extensive and sophisticated analytics to demonstrate comparability with the originator molecule. Analytical techniques, such as mass spectrometry, which enable the measurement of the structure and elemental composition of individual molecules, are an essential tool in this process. We have invested a substantial part of our capital budget in this area.
- ***Molecular tuning to achieve biosimilarity.*** Accurately reproducing the glycosylation pattern of the originator protein is particularly critical to successful development of a biosimilar, as this profile can

substantially impact pharmacokinetics and biologic activity. By conducting a number of critical steps in a parallel fashion, we have been able to complete this process for our etanercept (Enbrel) biosimilar product candidate in an extremely short period of time while achieving a high degree of biosimilarity. The same parallel process has been applied to our other biosimilar product candidates.

- ***Process science.*** We design and develop systems that integrate state-of-the-art growth media, chromatography resins, filters and techniques to produce our products. We have demonstrated that our protein production processes are highly scalable, extremely robust and easily automated, resulting in consistent product quality, biosimilarity and yield.
- ***Formulation technologies.*** The stabilization of proteins in solution is an essential part of obtaining a commercially viable therapeutic. We believe that our investment in proprietary formulation technology will allow us to innovate around certain patent protected formulations, thereby enabling earlier market entry than otherwise would be possible.
- ***Global regulatory strategy and clinical development.*** The global biosimilar regulatory environment is rapidly evolving and differs significantly from that of innovator products. We and our global partners have met with competent authorities in the United States, the E.U. and Japan and have gained deep insight into the regulatory rationale and nuanced approach required to successfully navigate global requirements.

We apply our platform to five key steps of biosimilar development that are designed to provide the analytical, nonclinical and clinical basis to establish biosimilarity and support regulatory approval of our product candidates. We have had meetings with regulatory agencies in several of the major regulated markets to discuss our three most advanced product candidates and the data that will be required to support marketing approval. The outcomes of these discussions have informed our clinical designs, product development and regulatory strategies.

Development Portfolio

Anti-TNF pipeline: CHS-0214 and CHS-1420

TNF belongs to a family of soluble protein mediators, or cytokines, that play an important role in disease progression across a number of inflammatory and chronic conditions. Several biologic agents have been developed that inhibit the inflammatory activity of TNF in the context of these diseases, which are collectively referred to as the anti-TNF class of therapeutics. Our anti-TNF product candidates, CHS-0214 and CHS-1420, are based on two of the leading products in this category, etanercept (Enbrel) and adalimumab (Humira), respectively. We selected these originator products as biosimilar development targets for the following reasons:

- *Large market opportunity*. Global sales of Enbrel and Humira are projected to exceed $24 billion in 2017, representing over 60% of the combined estimated global sales in the anti-TNF monoclonal antibody and TNF inhibitor markets in 2017. Approximately $19 billion of this estimated market is in territories in which we or our partners currently intend to commercialize our anti-TNF products.
- *Receptivity to biosimilars.* Because anti-TNF agents are typically used to treat diseases where there is a low risk of imminent mortality, we believe physicians and payors will be inclined to support adoption of biosimilar anti-TNF agents that allow for rapid confirmation of safety and efficacy for the individual patient.
- *Technical barriers to entry*. There are numerous challenges in the development of biosimilars to these reference products related to quality characteristics such as glycosylation that we believe our specialized expertise in protein chemistry and process science will allow us to overcome.

- *Timing of patent expiration*. The expiration of certain originator patents pertaining to etanercept (Enbrel) and adalimumab (Humira) in many major markets offers us a near-term opportunity to introduce biosimilar competitors in these markets. We believe we would not be precluded by the originator's patents from introducing an etanercept (Enbrel) biosimilar candidate in Europe after August 2015, or in Japan after September 2015. In the case of adalimumab (Humira), we do not believe originator patents would preclude us from introducing a biosimilar in the United States after December 2016, in Europe after October 2018 and in Japan after August 2018 (for rheumatoid arthritis) or May 2020 (for psoriasis).

CHS-0214: Etanercept (Enbrel), the reference product for CHS-0214, is a complex fusion protein that links the protein for tumor necrosis factor receptor 2, or TNFR-2, to the immunoglobulin Fc fragment protein, or IgG1 Fc. We announced the dosing of the first patient in our Phase 3 rheumatoid arthritis clinical trial in June 2014, and in July 2014 initiated a separate Phase 3 clinical trial in psoriasis. The design of each Phase 3 clinical trial reflects guidance from regulatory agencies regarding key study parameters. If data are positive, we expect to file a marketing application for CHS-0214 with the European Medicines Agency, or EMA, in 2016. If approved, we believe we will be able to extrapolate the data from our trials in rheumatoid arthritis and psoriasis to gain approval for CHS-0214 in all of the indications included in the label for Enbrel.

CHS-1420: Adalimumab (Humira), the reference product for CHS-1420, is a fully humanized monoclonal antibody that binds TNF and interferes with its binding to receptors on the cell surface. Monoclonal antibodies are identical antibodies that have an affinity for the same antigen and are produced by a specific clone or cell line. We have completed a pivotal Phase 1 pharmacokinetics, or PK, and pharmacodynamics, or PD, study comparing CHS-1420 to Humira in healthy volunteers, and the trial met the primary endpoint demonstrating PK similarity of CHS-1420 to Humira. We plan to initiate a Phase 3 clinical trial in the first half of 2015 to support the expected filing of a Biologics License Application, or BLA, in the United States in 2016 and the expected filing of a marketing application in the E.U. in 2017. We are in the process of reaching concurrence with regulatory authorities in the United States, Europe and Japan with the objective of designing a harmonized global Phase 3 clinical trial program to support registration in these territories. If approved, we believe we will be able to extrapolate the data from our trials in rheumatoid arthritis and psoriasis to gain approval for CHS-1420 in all the indications included in the label for Humira.

Long-acting G-CSF pipeline: CHS-1701

G-CSF is a protein that promotes the survival, proliferation (an increase in the number of cells due to cell growth and cell division) and differentiation of certain types of white blood cells known as neutrophils. Recombinant G-CSF therapies, such as filgrastim (Neupogen) and pegfilgrastim (Neulasta), are commonly used in the prevention of chemotherapy-induced neutropenia in cancer, which is characterized by an abnormally low level of neutrophils and other white blood cells that aid in the defense against infections. We selected pegfilgrastim (Neulasta) as the development target for our biosimilar G-CSF product candidate for the following reasons:

- *Large market opportunity*. The combined opportunity for both short- and long-acting G-CSF therapies worldwide is estimated to exceed $5 billion in 2017, and pegfilgrastim therapies are expected to capture over 70% of the worldwide G-CSF market. It is estimated that the worldwide opportunity for Neulasta, the reference product for CHS-1701, will exceed $3.9 billion in 2017.
- *Receptivity to biosimilars*. We believe there is strong conviction among payors to drive biosimilar adoption in the G-CSF category. This is supported by the uptake of filgrastim biosimilars in the EU5 (Spain, Great Britain, France, Germany and Italy), which were initially launched in 2008 and achieved approximately a 52% share of the short-acting G-CSF market and a 77% share of the filgrastim market by the third quarter of 2013.

- *Timing of patent expiration.* We believe that the expiration of certain originator patents pertaining to pegfilgrastim (Neulasta) in major markets offers us a near-term opportunity to introduce biosimilar competitors in these markets. Specifically, we believe we would not be precluded by the originator's patents from introducing a pegfilgrastim (Neulasta) biosimilar candidate in the United States after October 2015 and in Europe after February 2018.

Under the 351(a) (novel biologic) pathway, we have successfully advanced CHS-1701 through completion of a Phase 1 PK / PD study in healthy volunteers, and are currently planning to initiate two Phase 3 clinical trials in the first half of 2015. The primary objective of these studies will be to evaluate the efficacy of CHS-1701 in reducing the duration of severe neutropenia in the first cycle of chemotherapy. If results are positive, we intend to file a BLA for CHS-1701 in the United States in 2016. Under the 351(a) (novel biologic) pathway, demonstration of bioequivalence of CHS-1701 to Neulasta is not required. However, to preserve the option to change from the 351(a) (novel biologic) pathway to the 351(k) (biosimilar) pathway, we are making preparations that we believe would enable us to conduct a new pivotal Phase 1 PK / PD study in healthy volunteers, but have not yet made a decision to proceed with this additional study.

Our Strategy

Our goal is to become a leading global biosimilar company. The five key elements of our strategy are to:

- leverage our platform and internal expertise in process science, molecular biology and protein production, as well as our clinical, regulatory and commercial strategies, to screen and select biosimilar candidates;
- advance our lead programs through clinical development to secure approvals in major markets;
- continue to advance our early-stage product pipeline;
- maximize the value of our portfolio and pipeline by retaining commercial rights to our products in the United States and by selectively partnering with leading pharmaceutical companies to commercialize our products in other geographies; and
- attract and retain exceptionally capable team members who share our vision of bringing high quality, lower cost biologic therapeutics to patients.

Risks Associated with Our Business

Our business is subject to the risks and uncertainties discussed more fully in the section entitled "Risk Factors" immediately following this summary. These risks include, among others:

- We have a limited operating history in an emerging regulatory environment on which to assess our business, have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.
- Even if this offering is successful, we expect that we will need to raise substantial additional funding before we can expect to become profitable from sales of our products. This additional financing may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.
- We are heavily dependent on the clinical success, regulatory approval and commercial success of our product candidates. We cannot give any assurance that any of our product candidates will receive regulatory approval, which is necessary before they can be commercialized.

- The development, manufacture and commercialization of biosimilar products under various global regulatory pathways pose unique risks. Regulations for biosimilar approval differ across jurisdictions such that we may obtain approval in some jurisdictions, and not in others. The evolving legal and regulatory climate for biosimilars in the U.S. and abroad could result in legislative or regulatory requirements that could restrict our ability to commercialize our products. Even if our biosimilar products are approved, they may not be approved for all of the indications of the originator drug and the extent to which they will achieve marketplace acceptance in terms of quality, safety and efficacy is unclear.
- The structure of complex proteins used in protein-based therapeutics is inherently variable and highly dependent on the processes and conditions used to manufacture them. If we are unable to develop manufacturing processes that achieve a requisite degree of biosimilarity to the originator drug, and within a range of variability considered acceptable by regulatory authorities, we may not be able to obtain regulatory approval for our products.
- Our biosimilar product candidates, if approved, will face significant competition from the reference products and from other pharmaceuticals approved for the same indication as the originator products. Our failure to effectively compete may prevent us from achieving significant market penetration and expansion.
- If we are unable to obtain and maintain effective patent rights for our product candidates or any future product candidates, we may not be able to prevent competitors from using technologies we consider important in our successful development and commercialization of our product candidates, resulting in loss of any potential competitive advantage our patents may have otherwise afforded us.
- Our ability to market our products in the United States may be significantly delayed or prevented by the patent dispute mechanism established under the Biologics Price Competition and Innovation Act of 2009. This mechanism requires us to disclose our biosimilar regulatory approval application to the originator. As a result of such disclosure, the originator could initiate patent infringement litigation against us which may delay or block our ability to commercialize our products.

Corporate Information

We were incorporated in the State of Delaware in September 2010 under the name BioGenerics, Inc. We subsequently changed the name of the corporation to Coherus BioSciences, Inc. in April 2012. Our principal executive offices are located at 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065, and our telephone number is (650) 649-3530. Our website address is http://www.coherus.com. The information contained in or that can be accessed through our website is not part of this prospectus.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.0 billion or (c) in which we are deemed to be a large accelerated filer (this means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the end of the second quarter of that fiscal year), or (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we will present only two years of audited financial statements and only two years of related management’s discussion and analysis of financial condition and results of operations;
- we will avail ourselves of the exemption from the requirement to obtain an attestation and report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002;

- we will provide less extensive disclosure about our executive compensation arrangements; and
- we will not require shareholder non-binding advisory votes on executive compensation or golden parachute arrangements.

However, we are irrevocably electing to “opt out” of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards.

THE OFFERING

Issuer	Coherus BioSciences, Inc.
Common stock we are offering	shares
Common stock to be outstanding after the offering	shares
Underwriters' option to purchase additional shares	shares
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares in full, at an assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use substantially all of the net proceeds from this offering as follows: approximately $ million to fund clinical development of CHS-0214 (our etanercept (Enbrel) biosimilar candidate), approximately $ million to fund clinical development of CHS-1420 (our adalimumab (Humira) biosimilar candidate), approximately $ million to fund clinical development of CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate), approximately $ million to pursue our development pipeline, and to use the balance for working capital and general corporate purposes. See "Use of Proceeds" on page 59 for a more complete description of the intended use of proceeds from this offering.
Risk factors	See "Risk Factors" beginning on page 11 and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our common stock.
Proposed symbol on NASDAQ	"CHRS"

The number of shares of common stock to be outstanding after this offering is based on 42,934,776 shares of common stock outstanding as of June 30, 2014 and excludes the following:

- 922,309 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.00 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 9,251,560 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $0.97 per share;
- 311,708 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.26 per share, which warrants prior to the completion of this offering are exercisable to purchase convertible preferred stock, and which will automatically be net exercised immediately prior to this offering if not previously exercised;

- 991,414 shares of common stock reserved for issuance pursuant to future awards under our 2010 Equity Incentive Plan, as amended, as of June 30, 2014, which will become available for issuance under our 2014 Equity Incentive Award Plan after consummation of this offering;
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Employee Stock Purchase Plan, which will become effective upon the effectiveness of the registration statement to which this prospectus relates.

Unless otherwise indicated, the number of shares of our common stock described above reflects and assumes the following, which we refer to collectively in this prospectus as the "Transactions":

- the conversion of all outstanding shares of our preferred stock into an aggregate of 35,225,839 shares of common stock immediately prior to the consummation of this offering;
- the filing of our amended and restated certificate of incorporation and adoption of our amended and restated bylaws immediately prior to the consummation of this offering; and
- no exercise by the underwriters' of their option to purchase additional shares of common stock.

We refer to our Series A, Series B and Series C convertible preferred stock collectively as "convertible preferred stock" for audited financial reporting purposes and in the financial tables included in this prospectus, as more fully explained in Note 9 to our audited consolidated financial statements. In other parts of this prospectus, we refer to our Series A, Series B and Series C convertible preferred stock collectively as "preferred stock."

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data as of, and for the periods ended on, the dates indicated. We have derived the consolidated statements of operations data for the years ended December 31, 2012 and 2013 from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the six months ended June 30, 2013 and 2014 and the consolidated balance sheet data as of June 30, 2014 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. We have prepared the unaudited financial statements on the same basis as the audited financial statements and have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands, except share and per share data)			
Consolidated Statement of Operations Data:				
Revenue:				
Collaboration and license revenue — related party[1]	$ 1,899	$ 2,025	$ 1,013	$ 1,013
Collaboration and license revenue	—	726	—	7,548
Total revenue	1,899	2,751	1,013	8,561
Operating expenses:				
Research and development[2]	34,886	31,279	17,123	32,861
General and administrative[2]	5,531	7,465	2,613	7,399
Total operating expenses	40,417	38,744	19,736	40,260
Loss from operations	(38,518)	(35,993)	(18,723)	(31,699)
Interest expense	(1,514)	(5,293)	—	(3,899)
Other income (expense), net	7,014	(12,349)	1,152	(14,642)
Net loss	(33,018)	(53,635)	(17,571)	(50,240)
Net loss attributable to noncontrolling interest	—	—	—	113
Net loss attributable to Coherus	$ (33,018)	$ (53,635)	$ (17,571)	$ (50,127)
Net loss per share attributable to Coherus, basic and diluted[3]	$ (9.51)	$ (9.66)	$ (3.55)	$ (7.19)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted[3]	3,471,731	5,554,477	4,947,171	6,971,482
Pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		$ (1.68)		$ (1.18)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		24,488,112		30,145,504

(1) Represents revenue from Daiichi Sankyo Company, Limited, a holder of more than 10% of our common stock on an as-converted basis.

(2) Includes stock-based compensation expense as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands)			
Research and development	$ 268	$ 682	$ 299	$ 2,202
General and administrative	175	1,363	437	2,299
Total stock-based compensation expense	$ 443	$ 2,045	$ 736	$ 4,501

(3) See Note 12 to our audited consolidated financial statements and Note 11 to our interim condensed consolidated financial statements for an explanation of the method used to calculate basic and diluted net loss per share attributable to Coherus, the unaudited pro forma basic and diluted net loss per share attributable to Coherus and the weighted-average shares outstanding used to calculate the per share amounts.

	June 30, 2014		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)
		(unaudited)	
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 108,869	$ 109,873	$
Working capital	70,145	72,738	
Total assets	122,183	123,187	
Convertible preferred stock warrant liability	1,589	—	
Convertible preferred stock	161,224	—	
Accumulated deficit	(149,719)	(149,719)	
Total stockholders' (deficit) equity	(146,648)	17,169	

(1) The unaudited pro forma column in the balance sheet data above gives effect to: (i) the Transactions immediately prior to the completion of this offering, (ii) the related reclassification of convertible preferred stock warrant liability to additional paid-in capital, (iii) the issuance of 922,309 shares of common stock upon the cash exercise of all warrants to purchase common stock outstanding as of June 30, 2014, at $1.00 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised) and (iv) the issuance of 311,708 shares of common stock upon the cash exercise of all warrants to purchase convertible preferred stock as of June 30, 2014, at a weighted-average exercise price of $0.26 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised) and the subsequent conversion of such shares of convertible preferred stock into common stock immediately prior to the consummation of this offering.

(2) The unaudited pro forma as adjusted column in the balance sheet data above gives further effect to the sale of shares of common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and the estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus and any related free writing prospectus, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Risks Related to Our Financial Condition and Capital Requirements

We have a limited operating history in an emerging regulatory environment on which to assess our business, have incurred significant losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future.

We are a biopharmaceutical company with a limited operating history in an emerging regulatory environment. We have incurred net losses in each year since our inception in September 2010, including net losses of $33.0 million and $53.6 million for the years ended December 31, 2012 and 2013, respectively, and $50.2 million for the six months ended June 30, 2014. As of June 30, 2014, we had an accumulated deficit of $149.7 million.

We have devoted substantially all of our financial resources to identify and develop our product candidates, including conducting, among other things, analytical characterization, process development and manufacture, formulation and clinical studies and providing general and administrative support for these operations. To date, we have financed our operations primarily through the sale of equity securities and convertible notes, as well as through our license agreements with Baxter International, Inc., Baxter Healthcare Corporation and Baxter Healthcare SA, or together, Baxter, and Daiichi Sankyo Company, Limited, or Daiichi Sankyo. The amount of our future net losses will depend, in part, on the rate of our future expenditures and our ability to obtain funding through equity or debt financings or strategic collaborations. Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are in Phase 3 clinical development with CHS-0214 (our etanercept (Enbrel) biosimilar candidate). We are in the earlier stages of clinical development for our other lead product candidates, namely CHS-1420 (our adalimumab (Humira) biosimilar candidate) and CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate) for which we have not yet commenced Phase 3 clinical trials. It may be several years, if ever, before we complete Phase 3 clinical trials and have a product candidate ready to file for market approval with the relevant regulatory agencies. If we obtain regulatory approval to market a biosimilar product candidate, our future revenue will depend upon the size of any markets in which our product candidates may receive approval and our ability to achieve sufficient market acceptance, pricing, reimbursement from third-party payors and adequate market share for our product candidates in those markets. However, even if one or more of our product candidates gain regulatory approval and are commercialized, we may never become profitable.

We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- continue our nonclinical and clinical development of our product candidates;
- expand the scope of our current clinical studies for our product candidates;
- advance our programs into more expensive clinical studies;
- initiate additional nonclinical, clinical or other studies for our product candidates;
- change or add contract manufacturers, clinical research service providers, testing laboratories, device suppliers, legal service providers or other vendors or suppliers;
- seek regulatory and marketing approvals for our product candidates that successfully complete clinical studies;

- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- seek to identify, assess, acquire and/or develop other biosimilar product candidates or products that may be complementary to our products;
- make upfront, milestone, royalty or other payments under any license agreements;
- seek to create, maintain, protect and expand our intellectual property portfolio;
- engage legal counsel and technical experts to help us evaluate and avoid infringing any valid and enforceable intellectual property rights of third parties;
- engage in litigation including patent litigation with originator companies or others that may hold patents;
- seek to attract and retain skilled personnel;
- create additional infrastructure to support our operations as a public company and our product development and planned future commercialization efforts; and
- experience any delays or encounter issues with any of the above, including but not limited to failed studies, conflicting results, safety issues, litigation or regulatory challenges that may require longer follow-up of existing studies, additional major studies or additional supportive studies in order to pursue marketing approval.

Further, the net losses we incur may fluctuate significantly from quarter-to-quarter and year-to-year such that a period-to-period comparison of our results of operations may not be a good indication of our future performance quarter-to-quarter and year-to-year due to factors including the timing of clinical trials, any litigation that we may file or that may be filed against us, the execution of collaboration, licensing or other agreements and the timing of any payments we make or receive thereunder.

We have never generated any revenue from product sales and may never be profitable.

Although we have received upfront payments, milestone and other contingent payments and/or funding for development from some of our collaboration and license agreements (e.g., Baxter and Daiichi Sankyo), we have no products approved for commercialization and have never generated any revenue from product sales. Our ability to generate revenue and achieve profitability depends on our ability, alone or with strategic collaboration partners, to successfully complete the development of, and obtain the regulatory and marketing approvals necessary to commercialize, one or more of our product candidates. We cannot predict when we will begin generating revenue from product sales, as this depends heavily on our success in many areas, including but not limited to:

- attracting, hiring and retaining qualified personnel;
- completing nonclinical and clinical development of our product candidates;
- developing and testing of our product formulations;
- obtaining regulatory and marketing approvals for product candidates for which we complete clinical studies;
- developing a sustainable and scalable manufacturing process for any approved product candidates and establishing and maintaining supply and manufacturing relationships with third parties that can conduct the process and provide adequate (in amount and quality) products to support clinical development and the market demand for our product candidates, if approved;
- launching and commercializing product candidates for which we obtain regulatory and marketing approval, either directly or with collaboration partners or distributors;
- obtaining adequate third-party coverage and reimbursements for our products;
- obtaining market acceptance of our product candidates as viable treatment options;

- addressing any competing technological and market developments;
- identifying, assessing and developing (or acquiring/in-licensing) new product candidates;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter; and
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs to commercialize any such product. Our expenses could increase beyond our expectations if we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, other regulatory agencies, domestic or foreign, or by any unfavorable outcomes in intellectual property litigation filed against us, to change our manufacturing processes or assays or to perform clinical, nonclinical or other types of studies in addition to those that we currently anticipate. In cases where we are successful in obtaining regulatory approvals to market one or more of our product candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the number of biosimilar competitors in such markets, the accepted price for the product, the ability to get reimbursement at any price, the nature and degree of competition from originators and other biosimilar companies (including competition from large pharmaceutical companies entering the biosimilar market that may be able to gain advantages in the sale of biosimilar products based on brand recognition and/or existing relationships with customers and payors) and whether we own (or have partnered) the commercial rights for that territory. If the market for our product candidates (or our share of that market) is not as significant as we expect, the indication approved by regulatory authorities is narrower than we expect or the reasonably accepted population for treatment is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of such products, even if approved. If we are unable to successfully complete development and obtain regulatory approval for our lead products, namely CHS-0214, CHS-1420 and CHS-1701, our business may suffer. Additionally, if we are not able to generate revenue from the sale of any approved products, we may never become profitable.

Even if this offering is successful, we expect that we will need to raise substantial additional funding. This additional funding may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We are currently advancing our CHS-0214, CHS-1420 and CHS-1701 product candidates through clinical development. Developing our product candidates is expensive, and we expect our research and development expenses to increase substantially in connection with our ongoing activities, particularly as we advance our product candidates through late-stage clinical studies.

As of June 30, 2014, our cash and cash equivalents were $108.9 million. We expect that our existing cash and cash equivalents, together with funding we expect to receive under our license agreements with Daiichi Sankyo and Baxter, will be sufficient to fund our current operations for the next 12 months; however, we expect that we will require additional capital to obtain regulatory approval for, and to commercialize, our product candidates. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including but not limited to:

- the scope, rate of progress, results and cost of our clinical studies, nonclinical testing and other related activities;
- the cost of manufacturing clinical supplies and establishing commercial supplies, of our product candidates and any products that we may develop;
- the number and characteristics of product candidates that we pursue;

- the cost, timing and outcomes of regulatory approvals;
- the cost and timing of establishing sales, marketing and distribution capabilities;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish, including any milestone and royalty payments thereunder; and
- the cost, timing and outcomes of any litigation that we may file or that may be filed against us by third parties.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders, and the issuance of additional securities, whether equity or debt, by us or the possibility of such issuance may cause the market price of our shares to decline. The sale of additional equity or convertible securities would dilute the share ownership of our existing stockholders. The incurrence of indebtedness could result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. Even if we believe we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or for specific strategic considerations.

If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any product candidates or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

Risks Related to the Discovery and Development of Our Product Candidates

We are heavily dependent on the clinical success, regulatory approval and commercial success of our product candidates. We cannot give any assurance that any of our product candidates will receive regulatory approval, which is necessary before they can be commercialized.

To date, we have invested substantially all of our efforts and financial resources to identify, acquire and develop our product candidates. Our future success is dependent on our ability to develop, obtain regulatory approval for, and then commercialize and obtain adequate third party coverage and reimbursement for one or more product candidates. We currently do not have any approved products and generate no revenue from sales of any products, and we may never be able to develop or commercialize a marketable product.

Our product candidates are in varying stages of development and will require additional clinical development, management of nonclinical, clinical and manufacturing activities, regulatory approval, adequate manufacturing supplies, commercial organization and significant marketing efforts before we generate any revenue from product sales. CHS-0214 has entered Phase 3 clinical development, and both CHS-1420 and CHS-1701 are in Phase 1 clinical development. CHS-0214 is our only product candidate that has advanced into a pivotal study. 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.

Our clinical trials must use originator products as comparators, and such supplies may not be available on a timely basis to support such trials.

Although certain of our employees have prior experience with submitting marketing applications to the FDA or comparable foreign regulatory authorities, neither we nor our collaboration partners have submitted such

applications for our product candidates. We cannot be certain that any of our product candidates will be successful in clinical trials or receive regulatory approval. Further, our product candidates may not receive regulatory approval even if they are successful in clinical trials. If we and our collaboration partners do not receive regulatory approvals for our product candidates, we may not be able to continue our operations.

We, together with our collaboration partners, generally plan to seek regulatory approval to commercialize our product candidates in the United States, the European Union, or E.U., and in additional foreign countries where we or our partners have commercial rights. To obtain regulatory approval, we and our collaboration partners must comply with numerous and varying regulatory requirements of such countries regarding safety, efficacy, chemistry, manufacturing and controls, clinical studies, commercial sales and pricing and distribution of our product candidates. Even if we and our collaboration partners are successful in obtaining approval in one jurisdiction, we cannot ensure that we will obtain approval in any other jurisdictions. If we and our collaboration partners are unable to obtain approval for our product candidates in multiple jurisdictions, our revenue and results of operations could be negatively affected.

The regulatory approval processes of the FDA, EMA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and the regulatory approval requirements for biosimilars are evolving. If we and our collaboration partners are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.

The research, development, testing, manufacturing, labeling, packaging, approval, promotion, advertising, storage, marketing, distribution, post-approval monitoring and reporting and export and import of biologic products are subject to extensive regulation by the FDA and other regulatory authorities in the United States, by the EMA and EEA Competent Authorities in the European Economic Area, or EEA, and by other regulatory authorities in other countries, which regulations differ from country to country. Neither we nor any collaboration partner is permitted to market our product candidates in the United States until we and our collaboration partners receive approval from the FDA, or in the EEA until we and our collaboration partners receive E.U. Commission or EEA Competent Authority approvals.

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable, may take many years following the completion of clinical studies and depends upon numerous factors. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions, which may cause delays in the approval or the decision not to approve an application. Neither we nor any collaboration partner has obtained regulatory approval for any of our product candidates, and it is possible that none of our current or future product candidates will ever obtain regulatory approval.

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

- the data collected from clinical studies of our product candidates may not be sufficient to support the submission of a biologics license application, or BLA, a biosimilar product application under the 351(k) pathway of the Public Health Service Act, or PHSA, a biosimilar marketing authorization under Article 6 of Regulation (EC) No. 726/2004 and/or Article 10(4) of Directive 2001/83/EC in the EEA or other submission or to obtain regulatory approval in the United States, the EEA or elsewhere;
- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical studies;
- the population studied in the clinical program may not be sufficiently broad or representative to assure safety in the full population for which we seek approval;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from analytical and bioanalytical studies, nonclinical studies or clinical studies;
- we may be unable to demonstrate to the FDA or comparable foreign regulatory authorities that a product candidate's risk-benefit ratio for its proposed indication is acceptable;

- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process, as well as the unpredictability of the results of clinical studies, may result in our failure to obtain regulatory approval to market any of our product candidates, which would significantly harm our business. Moreover, any delays in the commencement or completion of clinical testing could significantly impact our product development costs and could result in the need for additional financing.

In addition, if we change the regulatory pathway through which we intend to seek approval of any of our product candidates, we may have to conduct additional clinical trials, which may delay our ability to submit a marketing application for the product. Even if we or our collaboration partners were to obtain approval for any of our product candidates, regulatory agencies may limit the scope of such approval for fewer or more limited indications than we request, may grant approval contingent on the completion of costly additional clinical trials or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

If we are not able to demonstrate biosimilarity of our biosimilar product candidates to the satisfaction of regulatory authorities, we will not obtain regulatory approval for commercial sale of our biosimilar product candidates and our future results of operations would be adversely affected.

Our future results of operations depend, to a significant degree, on our ability to obtain regulatory approval for and to commercialize our proposed biosimilar products. To obtain regulatory approval for the commercial sale of these product candidates, we will be required to demonstrate to the satisfaction of regulatory authorities, among other things, that our proposed biosimilar products are highly similar to biological reference products already licensed by the regulatory authority pursuant to marketing applications, notwithstanding minor differences in clinically inactive components, and that they have no clinically meaningful differences as compared to the marketed biological products in terms of the safety, purity and potency of the products. Each individual jurisdiction may apply different criteria to assess biosimilarity, based on a preponderance of the data that can be interpreted subjectively in some cases. In the EEA, the similar nature of a biosimilar and a reference product is demonstrated by comprehensive comparability studies covering quality, biological activity, safety and efficacy. For example, a determination of biosimilarity for CHS-0214 will be based on our demonstration of its high similarity to Enbrel.

Although our Phase 1 PK / PD trial for CHS-1701 met its primary endpoint and was satisfactory for purposes of pursuing a 351(a) (novel biologic) approval pathway (which does not require bioequivalence to the originator drug), we believe the results of the trial are indicative of the challenges in developing biosimilar drugs insofar as the data from the trial did not establish bioequivalence to Neulasta sufficient to support a 351(k) (biosimilar) approval pathway. To preserve the option of pursuing a 351(k) (biosimilar) approval path for CHS-1701, we are making necessary preparations that we believe would enable us to conduct a new pivotal Phase 1 PK / PD study in healthy volunteers, but have not yet made a decision to proceed with this additional study.

It is uncertain if regulatory authorities will grant the full originator label to biosimilar product candidates when they are approved. For example, an infliximab (Remicade) biosimilar molecule was approved in Europe for the full originator label but did not receive the full originator label when approved in Canada. A similar outcome could occur with respect to one or more of our product candidates.

In the event that regulatory authorities require us to conduct additional clinical trials or other lengthy processes, the commercialization of our proposed biosimilar products could be delayed or prevented. Delays in the commercialization of or the inability to obtain regulatory approval for these products could adversely affect our operating results by restricting or significantly delaying our introduction of new biosimilars.

The structure of complex proteins used in protein-based therapeutics is inherently variable and highly dependent on the processes and conditions used to manufacture them. If we are unable to develop manufacturing processes that achieve a requisite degree of biosimilarity to the originator drug, and within a range of variability considered acceptable by regulatory authorities, we may not be able to obtain regulatory approval for our products.

Protein-based therapeutics are inherently heterogeneous and their structures are highly dependent on the production process and conditions. Products from one production facility can differ within an acceptable range from those produced in another facility. Similarly, physicochemical differences can also exist among different lots produced within a single facility. The physicochemical complexity and size of biologic therapeutics create significant technical and scientific challenges in the context of their replication as biosimilar products.

The inherent variability in protein structure from one production lot to another is a fundamental consideration with respect to establishing biosimilarity to an originator product to support regulatory approval requirements. For example, the glycosylation of the protein, meaning the manner in which sugar molecules are attached to the protein backbone of a therapeutic protein when it is produced in a living cell, is critical to half-life (how long the drug stays in the body), efficacy and even safety of the therapeutic and is therefore a key consideration for biosimilarity. Defining and understanding the variability of an originator molecule in order to match its glycosylation profile requires significant skill in cell biology, protein purification and analytical protein chemistry. Furthermore, manufacturing proteins with reliable and consistent glycosylation profiles at scale is challenging and highly dependent on the skill of the cell biologist and process scientist.

There are extraordinary technical challenges in developing complex protein-based therapeutics that not only must achieve an acceptable degree of similarity to the originator molecule in terms of characteristics such as the unique glycosylation pattern (attachment of sugars to the protein) critical to therapeutic efficacy, but also the ability to develop manufacturing processes that can replicate the necessary structural characteristics within an acceptable range of variability sufficient to satisfy regulatory authorities.

Given the challenges caused by the inherent variability in protein production, we may not be successful in developing our products if regulators conclude that we have not achieved a sufficient level of biosimilarity to the originator product, or that the processes we use to manufacture our products are unable to produce our products within an acceptable range of variability.

Clinical drug development involves a lengthy and expensive process and we may encounter substantial delays in our clinical studies or may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we (and/or our collaboration partners) must conduct clinical studies to demonstrate the safety and efficacy of the product candidates in humans.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical study process. The results of preclinical studies and early clinical studies of our product candidates may not be predictive of the results of later-stage clinical studies. Product candidates that have shown promising results in early-stage clinical studies may still suffer significant setbacks in subsequent registration clinical studies. For example, results generated to date in clinical studies for our CHS-0214 product candidate do not ensure that later clinical studies will demonstrate similar positive results. There is a high failure rate for product candidates proceeding through clinical studies, and product candidates in later stages of clinical studies may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical studies. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical studies due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier studies. Moreover, nonclinical and clinical data are often susceptible to varying interpretations and analyses. We do not know whether any clinical studies we may conduct will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval.

We cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of testing, and our future clinical studies may not be successful. Events that may prevent successful or timely completion of clinical development include but are not limited to:

- inability to generate sufficient preclinical, toxicology or other *in vivo* or *in vitro* data to support the initiation of human clinical studies;
- delays in reaching a consensus with regulatory agencies on study design;
- delays in reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical study sites;
- delays in obtaining required Institutional Review Board, or IRB, approval at each clinical study site;
- imposition of a clinical hold by regulatory agencies, after review of an investigational new drug, or IND, application or amendment or equivalent application or amendment, or an inspection of our clinical study operations or study sites or as a result of adverse events reported during a clinical trial;
- delays in recruiting suitable patients to participate in our clinical studies sponsored by us or our partners;
- difficulty collaborating with patient groups and investigators;
- failure by our CROs, other third parties or us to adhere to clinical study requirements;
- failure to perform in accordance with the FDA's good clinical practices requirements or applicable regulatory guidelines in other countries;
- delays in having patients complete participation in a study or return for post-treatment follow-up, or patients dropping out of a study;
- occurrence of adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- the cost of clinical studies of our product candidates being greater than we anticipate;
- clinical studies of our product candidates producing negative or inconclusive results, which may result in us deciding or regulators requiring us to conduct additional clinical studies or abandon product development programs; and
- delays in manufacturing, testing, releasing, validating or importing/exporting and/or distributing sufficient stable quantities of our product candidates and originator products for use in clinical studies or the inability to do any of the foregoing.

Any inability to successfully complete nonclinical and clinical development could result in additional costs to us or impair our ability to generate revenue. In addition, if we make manufacturing or formulation changes to our product candidates, we may need to conduct additional studies to bridge our modified product candidates to earlier versions.

For example, we intend to alter the manufacturing process for CHS-0214 and will need to provide data to the FDA and foreign regulatory authorities demonstrating that the change in manufacturing process has not changed the product candidate. If we are unable to make that demonstration to the FDA or comparable foreign regulatory authorities, we could face significant delays or fail to obtain regulatory approval to market the product, which could significantly harm our business.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if granted.

As with most pharmaceutical products, use of our product candidates could be associated with side effects or adverse events which can vary in severity (from minor reactions to death) and frequency (infrequent or prevalent). Side effects or adverse events associated with the use of our product candidates may be observed at any time, including in clinical trials or when a product is commercialized. Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical studies and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign authorities. Results of our studies could reveal a high and unacceptable severity and prevalence of side effects such as toxicity or other safety issues and could require us or our collaboration partners to perform additional studies or halt development or sale of these product candidates or expose us to product liability lawsuits which will harm our business. In such an event, we may be required by regulatory agencies to conduct additional animal or human studies regarding the safety and efficacy of our product candidates which we have not planned or anticipated or our studies could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny or withdraw approval of our product candidates for any or all targeted indications. There can be no assurance that we will resolve any issues related to any product-related adverse events to the satisfaction of the FDA or any other regulatory agency in a timely manner, if ever, which could harm our business, prospects and financial condition.

Additionally, product quality characteristics have been shown to be sensitive to changes in process conditions, manufacturing techniques, equipment or sites and other such related considerations, hence any manufacturing process changes we implement prior to or after regulatory approval could impact product safety and efficacy.

Drug-related side effects could affect patient recruitment for clinical trials, the ability of enrolled patients to complete our studies or result in potential product liability claims. We currently carry product liability insurance and we are required to maintain product liability insurance pursuant to certain of our license agreements. We believe our product liability insurance coverage is sufficient in light of our current clinical programs; however, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. A successful product liability claim or series of claims brought against us could adversely affect our results of operations and business. In addition, regardless of merit or eventual outcome, product liability claims may result in impairment of our business reputation, withdrawal of clinical study participants, costs due to related litigation, distraction of management's attention from our primary business, initiation of investigations by regulators, substantial monetary awards to patients or other claimants, the inability to commercialize our product candidates and decreased demand for our product candidates, if approved for commercial sale.

Additionally, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including but not limited to:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- we may be required to create a Risk Evaluation and Mitigation Strategy, or REMS, plan, which could include a medication guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers and/or other elements to assure safe use;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

If we receive approval, regulatory agencies including the FDA, EMA, EEA Competent Authorities and other foreign regulatory agency regulations require that we report certain information about adverse medical events if those products may have caused or contributed to those adverse events. The timing of our obligation to report would be triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA, the EMA, EEA Competent Authorities or other foreign regulatory agencies could take action including criminal prosecution, the imposition of civil monetary penalties, seizure of our products or delay in approval or clearance of future products.

The development, manufacture and commercialization of biosimilar products under various global regulatory pathways pose unique risks.

United States Regulatory Framework for Biosimilars

We and our collaboration partners intend to pursue market authorization globally. In the United States an abbreviated pathway for approval of biosimilar products was established by the Biologics Price Competition and Innovation Act of 2009, or BPCIA, enacted on March 23, 2010, as part of the Patient Protection and Affordable Care Act. The BPCIA established this abbreviated pathway under section 351(k) of the Public Health Service Act, or PHSA. Subsequent to the enactment of the BPCIA, the FDA issued draft guidance regarding the demonstration of biosimilarity as well as the submission and review of biosimilar applications. To our knowledge, there has been only one biosimilar product application accepted for review by the FDA under the 351(k) pathway to date. Moreover, market acceptance of biosimilar products in the United States is unclear. Numerous states are considering or have already enacted laws that regulate or restrict the substitution by state pharmacies of biosimilars for originator products already licensed by the FDA. Market success of biosimilar products will depend on demonstrating to patients, physicians, payors and relevant authorities that such products are similar in quality, safety and efficacy as compared to the reference product.

We will continue to analyze and incorporate into our biosimilar development plans any final regulations issued by the FDA, pharmacy substitution policies enacted by state governments and other applicable requirements established by relevant authorities. The costs of development and approval, along with the probability of success for our biosimilar product candidates, will be dependent upon application of any laws and regulations issued by the relevant regulatory authorities.

Biosimilar products may also be subject to extensive patent clearances and patent infringement litigation, which may delay and could prevent the commercial launch of a product. Moreover, the BPCIA prohibits the FDA from accepting an application for a biosimilar candidate to a reference product within four years of the reference product's licensure by the FDA. In addition, the BPCIA provides innovative biologics with 12 years of exclusivity from the date of their licensure, during which time the FDA cannot approve any application for a biosimilar candidate to the reference product. For example, the FDA would not be able to grant approval of any application submitted for an etanercept (Enbrel) biosimilar, an adalimumab (Humira) biosimilar or a pegfilgrastim (Neulasta) biosimilar, until 12 years after the original BLAs for these drugs were approved, which occurred on September 12, 2002 in the case of Enbrel, December 31, 2002 in the case of Humira and January 31, 2002 in the case of Neulasta. However, President Obama's proposed budget for fiscal year 2014 included a legislative proposal to cut this 12-year period of exclusivity down to seven years. It also proposed to prohibit additional periods of exclusivity due to minor changes in product formulations, a practice often referred to as "evergreening." However, Congress may fail to take these or other measures to reduce periods of exclusivity.

The BPCIA is complex and only beginning to be interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning is evolving and subject to significant uncertainty. Future implementation decisions by the FDA could result in delays in the development or commercialization of our product candidates or increased costs to assure regulatory compliance and could adversely affect our operating results by restricting or significantly delaying our ability to market new biosimilar products.

Regulatory Framework for Biosimilars Outside the United States

In 2004 the European Parliament issued legislation allowing the approval of biosimilar therapeutics. Since then, the European Commission has granted marketing authorizations for more than 20 biosimilars pursuant to a set of general and product class-specific guidelines for biosimilar approvals issued over the past few years. Because of their extensive experience in the review and approval of biosimilars, Europe has more guidelines for these products than the FDA, including data requirements needed to support approval.

Generally speaking, under current EU regulations, an application for regulatory approval of a biosimilar drug cannot be submitted in the EU until expiration of an eight year data exclusivity period for the reference (originator) product, measured from the date of the reference product's initial marketing authorization. Furthermore, once approved, the biosimilar cannot be marketed until expiration of a 10 year period following the initial marketing authorization of the reference product, such ten year period being extendible to 11 years if the reference product received approval of an additional therapeutic indication, within the first eight years following its initial marketing authorization, representing a significant clinical benefit in comparison with existing therapies. However, we understand that reference products approved prior to November 20, 2005 (which would include, for example, Enbrel, Humira and Neulasta, approved in the EU on March 2, 2000, August 9, 2003 and August 22, 2002, respectively) are subject to a 10 year period of data exclusivity. While the data exclusivity periods for Enbrel, Humira and Neulasta have now expired in Europe, these reference products are presently still subject to unexpired patents.

In Europe, the approval of a biosimilar for marketing is based on an opinion issued by the EMA and a decision issued by the European Commission. Therefore, the marketing approval will cover the entire EEA. However, substitution of a biosimilar for the innovator is a decision that is made at the local (national) level on a country-by-country basis. Additionally, a number of countries do not permit the automatic substitution of biosimilars for the originator product. Therefore, even if we obtain marketing approval for the entire EEA, we may not receive substitution in one or more European nations, thereby restricting our ability to market our products in those jurisdictions.

Other regions, including Canada, Japan and Korea, also have their own legislation outlining a regulatory pathway for the approval of biosimilars. In some cases other countries have either adopted European guidance (Singapore and Malaysia) or are following guidance issued by the World Health Organization (Cuba and Brazil). While there is overlap in the regulatory requirements across regions, there are also some areas of non-overlap. Additionally, we cannot predict whether countries that we may wish to market in, which do not yet have an established or tested regulatory framework could decide to issue regulations or guidance and/or adopt a more conservative viewpoint than other regions. Therefore, it is possible that even if we obtain agreement from one health authority to an accelerated or optimized development plan, we will need to defer to the most conservative view to ensure global harmonization of the development plan. Also, for regions where regulatory authorities do not yet have sufficient experience in the review and approval of a biosimilar product, these authorities may rely on the approval from another region (e.g., the United States or the E.U.), which could delay our approval in that region.

If other biosimilars of etanercept (Enbrel), adalimumab (Humira) or pegfilgrastim (Neulasta) are approved and successfully commercialized before our product candidates for these originator products (CHS-0214, CHS-1420 or CHS-1701, respectively), our business would suffer.

We expect other companies to seek approval to manufacture and market biosimilar versions of Enbrel, Neulasta or Humira. If other biosimilars of Enbrel, Humira or Neulasta are approved and successfully commercialized before CHS-0214, CHS-1420 or CHS-1701, respectively, we may never achieve significant market share for these products, our revenue would be reduced and, as a result, our business, prospects and financial condition could suffer.

If other biosimilars of etanercept (Enbrel), adalimumab (Humira) or pegfilgrastim (Neulasta) are determined to be interchangeable and our biosimilars candidates for these originator products are not, our business would suffer.

The FDA or other relevant regulatory authorities may determine that a proposed biosimilar product is "interchangeable" with a reference product, meaning that the biosimilar product may be substituted for the reference product without the intervention of the health care provider who prescribed the reference product, if the application includes sufficient information to show that the product is biosimilar to the reference product and that it can be expected to produce the same clinical result as the reference product in any given patient. If the biosimilar product may be administered more than once to a patient, the applicant must demonstrate that the risk in terms of safety or diminished efficacy of alternating or switching between the biosimilar product candidate and the reference product is not greater than the risk of using the reference product without such alternation or switch. To make a final determination of biosimilarity or interchangeability, regulatory authorities may require additional confirmatory information beyond what we plan to initially submit in our applications for approval, such as more in-depth analytical characterization, animal testing or further clinical studies. Provision of sufficient information for approval may prove difficult and expensive.

We cannot predict whether any of our biosimilar product candidates will meet regulatory authority requirements for approval as a biosimilar product or as an interchangeable product in any jurisdiction. Furthermore, legislation governing interchangeability could differ by jurisdiction on a state or national level worldwide.

The concept of "interchangeability" is important because, in the United States for example, the first biosimilar determined to be interchangeable with a particular reference, or originator, product for any condition of use is eligible for a period of market exclusivity that delays an FDA determination that a second or subsequent biosimilar product is interchangeable with that originator product for any condition of use until the earlier of: (1) one year after the first commercial marketing of the first interchangeable product; (2) 18 months after resolution of a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product, based on a final court decision regarding all of the patents in the litigation or dismissal of the litigation with or without prejudice; (3) 42 months after approval of the first interchangeable product, if a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product is still ongoing; or (4) 18 months after approval of the first interchangeable product if the applicant that submitted the application for the first interchangeable product has not been sued under 42 U.S.C. § 262(l)(6). Thus, a determination that another company's product is interchangeable with the originator biologic before we obtain approval of our corresponding biosimilar product candidates may delay the potential determination that our products are interchangeable with the originator product, which could materially adversely affect our results of operations and delay, prevent or limit our ability to generate revenue.

Failure to obtain regulatory approval in any targeted regulatory jurisdiction would prevent us from marketing our products to a larger patient population and reduce our commercial opportunities.

We and our collaboration partners have not initiated marketing efforts in any regulatory jurisdiction. Subject to product approvals and relevant patent expirations, we or our collaboration partners intend to first market our products in Europe and Japan followed by the United States.

In order to market our products in the E.U., the United States and other jurisdictions, we and our collaboration partners must obtain separate regulatory approvals and comply with numerous and varying regulatory requirements. The EMA is responsible for the centralized procedure for the regulation and approval of human medicines. This procedure results in a single marketing authorization that is valid in all E.U. countries, as well as in Iceland, Liechtenstein and Norway. The time required to obtain approval abroad may differ from that required to obtain FDA approval. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval and we may not obtain foreign regulatory approvals on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by

the FDA. We or our collaboration partners may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products within the United States or in any market outside the United States. Failure to obtain these approvals would materially and adversely affect our business, financial condition and results of operations.

Even if we obtain regulatory approval for a product candidate, our products will remain subject to regulatory scrutiny.

If our product candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, and comparable foreign regulatory authority, requirements, including ensuring that quality control and manufacturing procedures conform to current Good Manufacturing Practices, or cGMP, regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA, BLA or marketing authorization application, or MAA. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Any regulatory approvals that we or our collaboration partners receive for our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval or may contain requirements for potentially costly additional clinical trials and surveillance to monitor the safety and efficacy of the product candidate. We will be required to report certain adverse reactions and production problems, if any, to the FDA and comparable foreign regulatory authorities. Any new legislation addressing drug safety issues could result in delays in product development or commercialization or increased costs to assure compliance. We will have to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved label. As such, we may not promote our products for indications or uses for which they do not have approval. If our product candidates are approved, we must submit new or supplemental applications and obtain approval for certain changes to the approved products, product labeling or manufacturing process. We or our collaboration partners could also be asked to conduct post-marketing clinical studies to verify the safety and efficacy of our products in general or in specific patient subsets. If original marketing approval is obtained via an accelerated biosimilar approval pathway, we could be required to conduct a successful post-marketing clinical study to confirm clinical benefit for our products. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval.

If a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency or problems with the facility where the product is manufactured or disagrees with the promotion, marketing or labeling of a product, such regulatory agency may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning letters;
- impose civil or criminal penalties;
- suspend or withdraw regulatory approval;
- suspend any of our ongoing clinical studies;
- refuse to approve pending applications or supplements to approved applications submitted by us;
- impose restrictions on our operations, including closing our contract manufacturers' facilities; or
- seize or detain products or require a product recall.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

We may elect to seek licensure of our biosimilar products under the 351(a) (novel biologic) approval pathway instead of the 351(k) (biosimilar) approval pathway. This approval pathway may require us to undertake more expensive clinical trials and may present greater risk of failure than the 351(k) (biosimilar) approval pathway.

While we have elected to proceed under the 351(k) (biosimilar) approval pathway for CHS-0214, our etanercept (Enbrel) biosimilar, and CHS-1420, our adalimumab (Humira) biosimilar, we have opted to proceed under the 351(a) (novel biologic) regulatory pathway for CHS-170, our pegfilgrastim (Neulasta) biosimilar for a variety of clinical, regulatory and business reasons. To preserve our option to pursue the 351(k) (biosimilar) approval pathway for CHS-1701, we are planning an additional Phase 1 study to demonstrate PK / PD bioequivalence, but have not yet made a decision to proceed with that study. The 351(a) (novel biologic) approval pathway generally requires three study phases (as contrasted with the two study phases required under the 351(k) (biosimilar) pathway). Moreover, the 351(a) pathway generally does not allow for the possibility that a clinical trial in one indication can be extrapolated to multiple indications as is generally the case under the 351(k) (biosimilar) approval pathway. Pursuing licensure under the 351(a) (novel biologic) approval pathway may present disadvantages in terms of the requirements for additional clinical and nonclinical studies, clinical trial cost and failure risk, as well as the likelihood that multiple clinical trials would be required to obtain approval for all of the indications approved for the originator biologic.

Adverse events involving an originator product, or other biosimilars of such originator product, may adversely affect our business.

In the event that use of an originator product, or other biosimilar for such originator product, results in unanticipated side effects or other adverse events, it is likely that our biosimilar product candidate will be viewed comparably and may become subject to the same scrutiny and regulatory sanctions as the originator product or other biosimilar, as applicable. Accordingly, we may become subject to regulatory supervisions, clinical holds, product recalls or other regulatory actions for matters outside of our control that affect the originator product, or other biosimilar, as applicable, if and until we are able to demonstrate to the satisfaction of our regulators that our biosimilar product candidate is not subject to the same issues leading to the regulatory action as the originator product or other biosimilar, as applicable.

Risks Related to our Ability to Hire Highly Qualified Personnel and our Reliance on Third Parties

We are highly dependent on the services of our key executives and personnel, including our President and Chief Executive Officer, Dennis M. Lanfear, and if we are not able to retain these members of our management or recruit additional management, clinical and scientific personnel, our business will suffer.

We are highly dependent on the principal members of our management and scientific and technical staff. The loss of service of any of our management or key scientific and technical staff could harm our business. In addition, we are dependent on our continued ability to attract, retain and motivate highly qualified additional management, clinical and scientific personnel. If we are not able to retain our management, particularly our President and Chief Executive Officer, Mr. Lanfear, and to attract, on acceptable terms, additional qualified personnel necessary for the continued development of our business, we may not be able to sustain our operations or grow.

We will need to expand and effectively manage our managerial, scientific, operational, financial and other resources in order to successfully pursue our clinical development and commercialization efforts. Our success also depends on our continued ability to attract, retain and motivate highly qualified management and scientific personnel. We may not be able to attract or retain qualified management and scientific and clinical personnel in

the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses, particularly in the San Francisco Bay Area. Our industry has experienced a high rate of turnover of management personnel in recent years. If we are not able to attract, retain and motivate necessary personnel to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

Our future performance will also depend, in part, on our ability to successfully integrate newly hired executive officers into our management team and our ability to develop an effective working relationship among senior management. Our failure to integrate these individuals and create effective working relationships among them and other members of management could result in inefficiencies in the development and commercialization of our product candidates, harming future regulatory approvals, sales of our product candidates and our results of operations. Additionally, we do not currently maintain "key person" life insurance on the lives of our executives or any of our employees.

We will need to expand our organization and we may experience difficulties in managing this growth, which could disrupt our operations.

As of June 30, 2014, we had 46 full-time employees. As our development and commercialization plans and strategies develop, we expect to need additional managerial, operational, sales, marketing, financial, legal and other resources. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of our current and potential future product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize product candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth.

We rely on third parties to conduct our nonclinical and clinical studies and perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third-party CROs to monitor and manage data for our ongoing nonclinical and clinical programs. We rely on these parties for execution of our nonclinical and clinical studies and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards and our reliance on the CROs does not relieve us of our regulatory responsibilities. We and our CROs and other vendors are required to comply with cGMP, current good clinical practices, or cGCP, and Good Laboratory Practices, or GLP, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the EEA and comparable foreign regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these regulations through periodic inspections of study sponsors, principal investigators, study sites and other contractors. If we, any of our CROs, service providers or investigators fail to comply with applicable regulations or cGCPs, the data generated in our nonclinical and clinical studies may be deemed unreliable and the FDA, EMA or comparable foreign regulatory authorities may require us to perform additional nonclinical and clinical studies before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical studies comply with cGCP regulations. In addition, our clinical studies must be conducted with product produced under cGMP regulations. Failure to comply by any of the participating parties or ourselves with these regulations may require us to repeat clinical studies, which would delay the regulatory

approval process. Moreover, our business may be implicated if our CRO or any other participating parties violate federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our on-going nonclinical and clinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, our clinical studies may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. CROs may also generate higher costs than anticipated. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed.

Switching or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we strive to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

We rely on third parties, and in some cases a single third party, to manufacture nonclinical and clinical supplies of our product candidates and to store critical components of our product candidates for us. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product candidates or fail to do so at acceptable quality levels or prices.

We do not currently have the infrastructure or capability internally to manufacture supplies of our product candidates for use in our nonclinical and clinical studies, and we lack the resources and the capability to manufacture any of our product candidates on a clinical or commercial scale. We rely on third party manufacturers to manufacture and supply us with our product candidates for our preclinical and clinical studies. Successfully transferring complicated manufacturing techniques to contract manufacturing organizations and scaling up these techniques for commercial quantities is time consuming and we may not be able to achieve such transfer or do so in a timely manner. Moreover, the availability of contract manufacturing services for protein-based therapeutics is highly variable and there are periods of relatively abundant capacity alternating with periods in which there is little available capacity. If our need for contract manufacturing services increases during a period of industry-wide production capacity shortage, we may not be able to produce our product candidates on a timely basis or on commercially viable terms. Although we will plan accordingly and generally do not begin a clinical study unless we believe we have a sufficient supply of a product candidate to complete such study, any significant delay or discontinuation in the supply of a product candidate for an ongoing clinical study due to the need to replace a third-party manufacturer could considerably delay completion of our clinical studies, product testing and potential regulatory approval of our product candidates, which could harm our business and results of operations.

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 and the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us. In addition, third party manufacturers may not be able to comply with cGMP 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 fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates or any other product candidates or products that we may develop. Any failure or refusal to supply the components for our product candidates that we may develop could delay, prevent or impair our

clinical development or commercialization efforts. If our contract manufacturers were to breach or terminate their manufacturing arrangements with us, the development or commercialization of the affected products or product candidates could be delayed, which could have an adverse effect on our business. Any change in our manufacturers could be costly because the commercial terms of any new arrangement could be less favorable and because the expenses relating to the transfer of necessary technology and processes could be significant.

If any of our product candidates are approved, in order to produce the quantities necessary to meet anticipated market demand, any contract manufacturer that we engage may need to increase manufacturing capacity. If we are unable to produce our product candidates in sufficient quantities to meet the requirements for the launch of these products or to meet future demand, our revenue and gross margins could be adversely affected. Although we believe that we will not have any material supply issues, we cannot be certain that we will be able to obtain long-term supply arrangements for our product candidates or materials used to produce them on acceptable terms, if at all. If we are unable to arrange for third-party manufacturing, or to do so on commercially reasonable terms, we may not be able to complete development of our products or market them.

We have entered into collaborations with third parties in connection with the development of certain of our product candidates. Even if we believe that the development of our technology and product candidates is promising, our partners may choose not to proceed with such development.

We have collaborations with several partners for the development and commercialization of certain of our product candidates. Our existing agreements with our collaboration partners are generally subject to termination by the counterparty on short notice under certain circumstances. Accordingly, even if we believe that the development of certain product candidates is worth pursuing, our partners may choose not to continue with such development. If any of our collaborations are terminated, we may be required to devote additional resources to the development of our product candidates or seek a new collaboration partner on short notice, and the terms of any additional collaborations or other arrangements that we establish may not be favorable to us or available at all.

We are also at risk that our collaborations or other arrangements may not be successful. Factors that may affect the success of our collaborations include the following:

- our collaboration partners may incur financial, legal or other difficulties that force them to limit or reduce their participation in our joint projects;
- our collaboration partners may be pursuing alternative technologies or developing alternative products that are competitive to our technology and products, either on their own or in partnership with others;
- our collaboration partners may terminate their collaborations with us, which could make it difficult for us to attract new partners or adversely affect perception of us in the business and financial communities; and
- our collaboration partners may pursue higher priority programs or change the focus of their development programs, which could affect their commitment to us.

If we cannot maintain successful collaborations, our business, financial condition and operating results may be adversely affected.

We are dependent on Daiichi Sankyo, Baxter and Orox for the commercialization of our biosimilar products candidates in certain major markets, and their failure to commercialize in those markets could have a material adverse effect on our business and operating results.

Our exclusive licensee, Baxter, is responsible for commercialization of CHS-0214 in Europe, Brazil and other jurisdictions outside the U.S. (excluding Japan and certain Caribbean and Latin American countries). Our exclusive licensee, Daiichi Sankyo, is responsible for commercialization of CHS-0214 in Japan. Our exclusive licensee, Orox Pharmaceuticals B.V., or Orox, is responsible for commercialization of certain of our products, including CHS-0214, CHS-1420 and CHS-1701, in certain Caribbean and Latin American countries (excluding

Brazil). If these entities fail to exercise commercially reasonable efforts to market and sell our products in their respective licensed jurisdictions or are otherwise ineffective in doing so, our business will be harmed and we may not be able to adequately remedy the harm through negotiation, litigation, arbitration or termination of the license agreements. Moreover, any disputes with our collaboration partners concerning the adequacy of their commercialization efforts will substantially divert the attention of our senior management from other business activities and will require us to incur substantial legal costs to fund litigation or arbitration proceedings.

We are subject to a multitude of manufacturing risks. Any adverse developments affecting the manufacturing operations of our biosimilar product candidates could substantially increase our costs and limit supply for our product candidates.

The process of manufacturing our product candidates is complex, highly regulated and subject to several risks, including but not limited to:

- product loss due to contamination, equipment failure or improper installation or operation of equipment or vendor or operator error; and
- equipment failures, labor shortages, natural disasters, power failures and numerous other factors associated with the manufacturing facilities in which our product candidates are produced.

Even minor deviations from normal manufacturing processes for any of our product candidates could result in reduced production yields, product defects and other supply disruptions. For example, we have experienced failures with respect to the manufacturing of certain lots of each of our product candidates resulting in delays prior to our taking corrective action. Additionally, if microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

Any adverse developments affecting manufacturing operations for our product candidates may result in shipment delays, inventory shortages, lot failures, withdrawals or recalls or other interruptions in the supply of our product candidates. We may also have to take inventory write-offs and incur other charges and expenses for product candidates that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

We currently engage single suppliers for manufacture, clinical trial services, formulation development and product testing of our product candidates. The loss of any of these suppliers or vendors could materially and adversely affect our business.

The biologic substance used in CHS-0214 is currently manufactured for us by a single contract manufacturer (Rentschler Biotechnologie, GmbH). The final (filled and finished) biosimilar product for CHS-0214 is currently manufactured by Catalent, Inc. Cook Pharmica, LLC, or Cook, manufactured the biologic substance in CHS-0214 and CHS-1420 for our Phase 1 trials. We have also entered into commitments with a single contract manufacturer, Cook, for commercial manufacture of the biologic substance used in CHS-1420, but we have not yet engaged a contract manufacturer for Phase 3 clinical supply of CHS-1420. The biologic substance used in our Phase 1 trial of CHS-1701 was manufactured by a single contract manufacturer, Cytovance Biologics. We have engaged a single contract manufacturer, KBI Biopharma, Inc., to manufacture and supply the biological substance in CHS-1701 for our potential Phase 3 trial of CHS-1701, as well as for process validation lots for CHS-1701. However, we have not yet engaged a contract manufacturer to supply us the final (filled and finished) biosimilar product for CHS-1701 for our potential Phase 3 trial. We currently engage Medpace, Inc. to provide clinical trial services, Lancaster Laboratories for product testing and Legacy BioDesign LLC for development of product formulation. We do not currently have any other suppliers or vendors for the above-mentioned requirements for our product candidates and, although we believe that there are alternate sources that could satisfy these requirements, we cannot assure you that identifying and establishing relationships with such would not result in significant delay in the development of our product candidates. Additionally, we may not be able to enter into arrangements with alternative vendors on commercially reasonable terms or at all. A delay in the development of our product candidates or having to enter into a new agreement with a different third party on

less favorable terms than we have with our current suppliers could have a material adverse impact upon on our business.

We and our collaboration partners and contract manufacturers are subject to significant regulation with respect to manufacturing our product candidates. The manufacturing facilities on which we rely may not continue to meet regulatory requirements or may not be able to meet supply demands.

All entities involved in the preparation of therapeutics for clinical studies or commercial sale, including our existing contract manufacturers for our product candidates, are subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical studies must be manufactured in accordance with cGMP. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Poor control of production processes can lead to the introduction of contaminants or to inadvertent changes in the properties or stability of our product candidates that may not be detectable in final product testing. We, our collaboration partners or our contract manufacturers must supply all necessary documentation in support of a BLA or MAA on a timely basis and must adhere to GLP and cGMP regulations enforced by the FDA and other regulatory agencies through their facilities inspection program. Some of our contract manufacturers have never produced a commercially approved pharmaceutical product and therefore have not obtained the requisite regulatory authority approvals to do so. The facilities and quality systems of some or all of our collaboration partners and third-party contractors must pass a pre-approval inspection for compliance with the applicable regulations as a condition of regulatory approval of our product candidates or any of our other potential products. In addition, the regulatory authorities may, at any time, audit or inspect a manufacturing facility involved with the preparation of our product candidates or our other potential products or the associated quality systems for compliance with the regulations applicable to the activities being conducted. Although we oversee the contract manufacturers, we cannot control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with the regulatory requirements. If these facilities do not pass a pre-approval plant inspection, regulatory approval of the products may not be granted or may be substantially delayed until any violations are corrected to the satisfaction of the regulatory authority, if ever.

The regulatory authorities also may, at any time following approval of a product for sale, audit the manufacturing facilities of our collaboration partners and third-party contractors. If any such inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulations occurs independent of such an inspection or audit, we or the relevant regulatory authority may require remedial measures that may be costly and/or time consuming for us or a third party to implement and that may include the temporary or permanent suspension of a clinical study or commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business.

If we, our collaboration partners or any of our third-party manufacturers fail to maintain regulatory compliance, the FDA or other applicable regulatory authority can impose regulatory sanctions including, among other things, refusal to approve a pending application for a new biologic product, withdrawal of an approval or suspension of production. As a result, our business, financial condition and results of operations may be materially harmed.

Additionally, if supply from one approved manufacturer is interrupted, an alternative manufacturer would need to be qualified through a BLA supplement or MAA variation or equivalent foreign regulatory filing, which could result in further delay. The regulatory agencies may also require additional studies if a new manufacturer is relied upon for commercial production. Switching manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines.

These factors could cause us to incur higher costs and could cause the delay or termination of clinical studies, regulatory submissions, required approvals or commercialization of our product candidates. Furthermore, if our suppliers fail to meet contractual requirements and we are unable to secure one or more replacement
suppliers capable of production at a substantially equivalent cost, our clinical studies may be delayed or we could lose potential revenue.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Because we rely on third parties to develop and manufacture our product candidates, we must, at times, share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaboration partners, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business.

Risks Related to Commercialization of Our Product Candidates

Our biosimilar product candidates, if approved, will face significant competition from the reference products and from other pharmaceuticals approved for the same indication as the originator products. Our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

We expect to enter highly competitive pharmaceutical markets. Successful competitors in the pharmaceutical market have demonstrated the ability to effectively discover, obtain patents, develop, test and obtain regulatory approvals for products, as well as an ability to effectively commercialize, market and promote approved products. Numerous companies, universities and other research institutions are engaged in developing, patenting, manufacturing and marketing of products competitive with those that we are developing. Many of these potential competitors are large, experienced pharmaceutical companies that enjoy significant competitive advantages, such as substantially greater financial, research and development, manufacturing, personnel and marketing resources. These companies also have greater brand recognition and more experience in conducting preclinical testing and clinical trials of product candidates and obtaining FDA and other regulatory approvals of products.

If an improved version of an originator product, such as Enbrel, Humira or Neulasta, is developed or if the market for the originator product significantly declines, sales or potential sales of our biosimilar product candidates may suffer.

Originator companies may develop improved versions of a reference product as part of a life cycle extension strategy and may obtain regulatory approval of the improved version under a new or supplemental BLA filed with the applicable regulatory authority. Should the originator company succeed in obtaining an approval of an improved biologic product, it may capture a significant share of the collective reference product market in the applicable jurisdiction and significantly reduce the market for the reference product and thereby the potential size of the market for our biosimilar product candidates. In addition, the improved product may be protected by additional patent rights that may subject our follow-on biosimilar to claims of infringement.

Biologic reference products may also face competition as technological advances are made that may offer patients a more convenient form of administration or increased efficacy or as new products are introduced. As new products are approved that compete with the reference product to our biosimilar product candidates, or sales of the reference originator products may be adversely impacted or rendered obsolete. If the market for the reference product is impacted, we may lose significant market share or experience limited market potential for our approved biosimilar products or product candidates, and the value of our product pipeline could be negatively impacted. As a result of the above factors, our business, prospects and financial condition could suffer.

If efforts by manufacturers of originator products to delay or limit the use of biosimilars are successful, our sales of biosimilar products may suffer.

Many manufacturers of originator products have increasingly used legislative, regulatory and other means to delay regulatory approval and to seek to restrict competition from manufacturers of biosimilars. These efforts may include or have included:

- settling patent lawsuits with biosimilar companies, resulting in such patents remaining an obstacle for biosimilar approval by others;
- submitting Citizen Petitions to request the FDA Commissioner to take administrative action with respect to prospective and submitted biosimilar applications;
- appealing denials of Citizen Petitions in United States federal district courts and seeking injunctive relief to reverse approval of biosimilar applications;
- restricting access to reference brand products for equivalence and biosimilarity testing that interferes with timely biosimilar development plans;
- attempting to influence potential market share by conducting medical education with physicians, payors, regulators and patients claiming that biosimilar products are too complex for biosimilar approval or are too dissimilar from originator products to be trusted as safe and effective alternatives;
- implementing payor market access tactics that benefit their brands at the expense of biosimilars;
- seeking state law restrictions on the substitution of biosimilar products at the pharmacy without the intervention of a physician or through other restrictive means such as excessive recordkeeping requirements or patient and physician notification;
- seeking federal or state regulatory restrictions on the use of the same non-proprietary name as the reference brand product for a biosimilar or interchangeable biologic;
- seeking changes to the United States Pharmacopeia, an industry recognized compilation of drug and biologic standards;
- obtaining new patents covering existing products or processes which could extend patent exclusivity for a number of years or otherwise delay the launch of biosimilars; and
- influencing legislatures so that they attach special patent extension amendments to unrelated federal legislation.

In 2012, Abbott Laboratories filed a Citizen Petition with the FDA asking the agency to refrain from accepting biosimilar applications under the BPCIA arguing that to approve such applications, without compensation to the originator, would constitute an unconstitutional taking of an originator company's valuable trade secrets under the fifth amendment of the United States constitution. The FDA has not yet acted on this petition and its outcome is uncertain. If the FDA grants Abbott Laboratories' petition, we may be precluded from applying for approval of CHS-0214, CHS-1420 and CHS-1701 under 351(k) pathway. Even if the FDA rejects Abbott Laboratories' petition, we think it is likely that Abbott will file appeals to the federal courts and ultimately pursue its appeals to the United States Supreme Court. Other originator companies may file Citizen Petitions in an effort to restrict or prevent the introduction of biosimilars.

We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our product candidates.

We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies. Some of the pharmaceutical and biotechnology companies we expect to compete with include, for example, Sandoz

International GmbH, or Sandoz, Hospira, Inc., or Hospira, Amgen, Pfizer Inc., or Pfizer, Boehringer Ingelheim GmbH, or Boehringer, Teva Pharmaceutical Industries, Ltd., or Teva, Samsung Bioepis, Ltd., or Bioepis, (a Merck/Biogen/Samsung biosimilar venture) and Hanwha Chemical Corporation, or Hanwha, as well as other smaller companies. We are currently aware that such competitors are engaged in the development of biosimilar product candidates to etanercept (Enbrel), adalimumab (Humira) and pegfilgrastim (Neulasta). For example, we understand that Sandoz, Samsung Group and Hanwha are each currently engaged in the development of competing biosimilar product candidates for etanercept (Enbrel). Each of Sandoz, Samsung and Hanwha appear to have ongoing Phase 3 clinical trials for an etanercept (Enbrel) biosimilar product candidate which they initiated earlier than our own Phase 3 clinical trial. Similarly, we understand that Sandoz is engaged in the development of a pegfilgrastim (Neulasta) biosimilar product candidate and believe such development has completed two Phase 3 clinical trials. Boehringer and Amgen are examples of companies engaged in development of biosimilar product candidates for adalimumab (Humira). We understand Boehringer Ingelheim's program is in Phase 1 and that Amgen's program is in Phase 3.

Many of our competitors have substantially greater financial, technical and other resources, such as larger research and development staff and experienced marketing and manufacturing organizations. Additional mergers and acquisitions in the pharmaceutical industry may result in even more resources being concentrated in our competitors. As a result, these companies may obtain regulatory approval more rapidly than we are able to and may be more effective in selling and marketing their products. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, products that are more effective or less costly than any product candidate that we may develop; they may also obtain patent protection that could block our products; and they may obtain regulatory approval, product commercialization and market penetration earlier than we do. Biosimilar product candidates developed by our competitors may render our potential product candidates uneconomical, less desirable or obsolete, and we may not be successful in marketing our product candidates against competitors. Competitors may also assert in their marketing or medical education programs that their biosimilar products demonstrate a higher degree of biosimilarity to the originator products than do ours or other competitor's biosimilar products, thereby seeking to influence health care practitioners to select their biosimilar products, versus ours or other competitors.

We currently have no marketing and sales organization. If we are unable to establish sales and marketing capabilities in jurisdictions for which we choose to retain commercialization rights or if we are unable to enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any revenue.

We currently have no marketing or sales organization. Although our employees may have sold other biologic products in the past while employed at other companies, our products have not yet been approved for sale, and thus we as a company have no experience selling and marketing our product candidates. To successfully commercialize any products that may result from our development programs, we will need to develop these capabilities, either on our own or with others. If our product candidates receive regulatory approval, we intend to establish a sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize our product candidates in major markets where we may choose to retain commercialization rights. Doing so will be expensive, difficult and time consuming. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of our products.

Further, given our lack of prior experience in marketing and selling biopharmaceutical products, our initial estimate of the size of the required sales force may be materially more or less than the size of the sales force actually required to effectively commercialize our product candidates. As such, we may be required to hire substantially more sales representatives to adequately support the commercialization of our product candidates or we may incur excess costs as a result of hiring more sales representatives than necessary. With respect to certain geographical markets, we may enter into collaborations with other entities to utilize their local marketing and distribution capabilities, but we may be unable to enter into such agreements on favorable terms, if at all. If our future collaboration partners do not commit sufficient resources to commercialize our future products, if any, and we are unable to develop the necessary marketing capabilities on our own, we will be unable to generate

sufficient product revenue to sustain our business. We expect competition from companies such as Sandoz, Teva, Boehringer, Hospira, Pfizer and Amgen that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

We may need to enter into alliances with other companies that can provide capabilities and funds for the development and commercialization of our product candidates. If we are unsuccessful in forming or maintaining these alliances on favorable terms, our business could be adversely affected.

Because we have limited or no internal capabilities for late-stage product development, manufacturing, sales, marketing and distribution, we have found it necessary to enter into alliances with other companies. For example, we entered into a collaboration agreement with Baxter for the development and commercialization of CHS-0214 in Europe, Brazil and other jurisdictions outside the United States. Similarly, we entered into a collaboration agreement with Daiichi Sankyo for the development and commercialization of CHS-0214 in Japan. For commercialization of our biosimilar product candidates in certain Caribbean and Latin American countries, we entered into an exclusive distribution arrangement with Orox. In the future, we may also find it necessary to form alliances or joint ventures with major pharmaceutical companies to jointly develop and/or commercialize specific biosimilar product candidates. In such alliances, we would expect our collaboration partners to provide substantial capabilities in clinical development, manufacturing, regulatory affairs, sales and marketing. We may not be successful in entering into any such alliances. Even if we do succeed in securing such alliances, we may not be able to maintain them if, for example, development or approval of a product candidate is delayed or sales of an approved product are disappointing. If we are unable to secure or maintain such alliances we may not have the capabilities necessary to continue or complete development of our product candidates and bring them to market, which may have an adverse effect on our business.

In addition to product development and commercialization capabilities, we may depend on our alliances with other companies to provide substantial additional funding for development and potential commercialization of our product candidates. We may not be able to obtain funding on favorable terms from these alliances, and if we are not successful in doing so, we may not have sufficient funds to develop a particular product candidate internally or to bring product candidates to market. Failure to bring our product candidates to market will prevent us from generating sales revenue, and this may substantially harm our business. Furthermore, any delay in entering into these alliances could delay the development and commercialization of our product candidates and reduce their competitiveness even if they reach the market. As a result, our business and operating results may be adversely affected.

The commercial success of any current or future product candidate will depend upon the degree of market acceptance by physicians, patients, third-party payors and others in the medical community.

Even with the requisite approvals from the FDA and comparable foreign regulatory authorities, the commercial success of our product candidates will depend in part on the medical community, patients and third-party payors accepting our product candidates as medically useful, cost-effective and safe. Any product that we bring to the market may not gain market acceptance by physicians, patients, third-party payors and others in the medical community. The degree of market acceptance of any of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the safety and efficacy of the product as demonstrated in clinical studies and potential advantages over competing treatments;
- the prevalence and severity of any side effects, including any limitations or warnings contained in a product’s approved labeling;
- the clinical indications for which approval is granted;
- the possibility that a competitor may achieve interchangeability and we may not;
- relative convenience and ease of administration;

- the extent to which our product may be more or less similar to the originator product than competing biosimilar product candidates;
- policies and practices governing the naming of biosimilar product candidates;
- prevalence of the disease or condition for which the product is approved;
- the cost of treatment, particularly in relation to competing treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support and timing of market introduction of competitive products;
- the extent to which the product is approved for inclusion on formularies of hospitals and managed care organizations;
- publicity concerning our products or competing products and treatments;
- the extent to which third-party payors provide adequate third-party coverage and reimbursement for our product candidates, if approved; and
- our ability to maintain compliance with regulatory requirements.

Even if a potential product displays a favorable efficacy and safety profile in nonclinical and clinical studies, market acceptance of the product will not be fully known until after it is launched and may be negatively affected by a potential poor safety experience and the track record of other biosimilar product candidates. Our efforts to educate the medical community and third-party payors on the benefits of the product candidates may require significant resources, may be under-resourced compared to large well-funded pharmaceutical entities and may never be successful. If our product candidates are approved but fail to achieve an adequate level of acceptance by physicians, patients, third-party payors and others in the medical community, we will not be able to generate sufficient revenue to become or remain profitable.

Policies and practices governing the naming of biosimilar product candidates are neither fully established nor fully harmonized and are subject to debate and change. Failure to achieve a non-proprietary name sufficiently close to the reference product or be competitively disadvantaged in this regard, could adversely affect the commercial performance of our biosimilar product candidate.

United States Adopted Name and International Nonproprietary Names, or INN, two important bodies involved in nonproprietary nomenclature, have no policy for the naming of biosimilar product candidates, and products are named on a case by case basis. Non-glycosylated proteins can follow the approach established for small molecule generics, which is to retain the same non-proprietary name if it is synthesized by a different route provided the substance is the same. Glycosylated proteins from different sources are given distinct names, as these proteins are expected to differ in their glycosylation profile. The same approach is valid for all other modifications to the protein that can occur in a cell after the cell has finished making the protein. A system currently under discussion at the World Health Organization that would enable the clear definition of all Similar Biotherapeutic Proteins would include the INN of the reference product in the first part of the name, and some form of biological qualifier that could uniquely identify the substance. Currently the FDA and EMA have final authority regarding names in the United States and the E.U. respectively, and it is unclear how they will handle nonproprietary nomenclature in the future. However, if they adopt policies requiring non-proprietary names that are distinct from the reference product or chose to assign a competing biosimilar product candidate to a Coherus product with a lower degree of nomenclature distinction from the reference product, payors, providers and patients may be more hesitant to use our biosimilar product candidate, believing the difference in nomenclature to be indicative of an important difference in quality of function from the reference product or the competing biosimilar product candidate. If this were to occur, our business could be negatively affected.

The third-party 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.

Pricing, coverage and reimbursement of our biosimilar product candidates, if approved, may not be adequate to support our commercial infrastructure. Our per-patient prices may not be sufficient to recover our development and manufacturing costs and potentially achieve profitability. Accordingly, the availability and adequacy of coverage and reimbursement by governmental and private payors are essential for most patients to be able to afford expensive treatments such as ours, if approved. 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 for by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations or reimbursed by government authorities, private health insurers and other third-party payors. If coverage and reimbursement are not available, or are 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 adequate to allow us to establish or maintain pricing sufficient to realize a return on our investment.

There is significant uncertainty related to third-party coverage and reimbursement of newly approved products. In the United States, third-party payors, including private and governmental payors such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered and reimbursed. The Medicare program covers certain individuals aged 65 or older or those who are disabled or suffering from end-stage renal disease. The Medicaid program, which varies from state to state, covers certain individuals and families who have limited financial means. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs and biologics. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our biosimilar product candidates, if approved. In addition, in the United States, no uniform policy of coverage and reimbursement for biologics exists among third-party payors. Therefore, coverage and reimbursement for biologics can differ significantly from payor to payor. As a result, the process for obtaining favorable coverage determinations often is time-consuming and costly and may require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

Outside the United States, pharmaceutical businesses are generally subject to extensive governmental price controls and other market regulations. 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. Other countries allow companies to fix their own prices for medical products, 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 revenue and profits.

Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to control healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. While cost containment practices generally benefit biosimilars, severe cost containment practices may adversely affect our product sales. 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.

Our biosimilar product candidates, if approved, could face price competition from other biosimilars of the same reference products for the same indication. This price competition could exceed our capacity to respond, detrimentally affecting our market share and revenue as well as adversely affecting the overall financial health and attractiveness of the market for the biosimilar.

We expect to enter highly competitive biosimilar markets. Successful competitors in the biosimilar market have the ability to effectively compete on price through payors and their third-party administrators who exert downward pricing pressure. It is possible our biosimilar competitors' compliance with price discounting demands in exchange for market share could exceed our capacity to respond in kind and reduce market prices beyond our expectations. Such practices may limit our and our collaboration partners' ability to increase market share and will also impact profitability.

Risks Related to Intellectual Property

If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed. Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in large part on avoiding infringement of the patents and proprietary rights of third parties. There have been many lawsuits and other proceedings involving patent and other intellectual property rights in the pharmaceutical industry, including patent infringement lawsuits, interferences, oppositions and reexamination proceedings before the U.S. Patent and Trademark Office, or USPTO, and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing product candidates. As the pharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Our research, development and commercialization activities may infringe or otherwise violate or be claimed to infringe or otherwise violate patents owned or controlled by other parties. The companies that originated the products for which we intend to introduce biosimilar versions, such as Amgen and AbbVie Inc., or AbbVie, as well as other competitors (including other companies developing biosimilars) have developed worldwide patent portfolios of varying sizes and breadth, many of which are in fields relating to our business, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. While we have conducted freedom to operate analyses with respect to our lead product candidates CHS-0214, CHS-1420 and CHS-1701, we cannot guarantee that any of our analyses are complete and thorough, nor can we be sure that we have identified each and every patent and pending application in the United States and abroad that is relevant or necessary to the commercialization of our product candidates. Moreover, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents covering our product candidates. We have not yet completed freedom to operate analysis on products we are evaluating for inclusion in our future biosimilar product pipeline and therefore we do not know whether or to what extent these products may be subject to unexpired patents.

There may also be patent applications that have been filed but not published and if such applications issue as patents, they could be asserted against us. For example, in most cases, a patent filed today would not become known to industry participants for at least 18 months given patent rules applicable in most jurisdictions which do not require publication of patent applications until 18 months after filing. Moreover, we face claims from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may have no deterrent effect. In addition, coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid and/or unenforceable, and we may not be able to do this. Proving that a patent is invalid or

unenforceable is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Also in proceedings before courts in Europe, the burden of proving invalidity of the patent usually rests on the party alleging invalidity. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on us. In addition, we may not have sufficient resources to bring these actions to a successful conclusion.

Third parties could bring claims against us that would cause us to incur substantial expenses and, if successful against us, could cause us to pay substantial monetary damages. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Ultimately, we could be prevented from commercializing a product or be forced to cease some aspect of our business operations, if, as a result of actual or threatened patent infringement claims, we are unable to enter into licenses on commercially acceptable terms or at all. If, as a result of patent infringement claims or to avoid potential claims, we choose or are required to seek licenses from third parties, these licenses may not be available on acceptable terms or at all. Even if we are able to obtain a license, the license may obligate us to pay substantial license fees or royalties or both, and the rights granted to us might be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would likely involve substantial litigation expense and would likely be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may, in addition to being blocked from the market, have to pay substantial monetary damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference, derivation or post-grant proceedings declared or granted by the USPTO and similar proceedings in foreign countries, regarding intellectual property rights with respect to our current or future products. An unfavorable outcome in any such proceedings could require us to cease using the related technology or to attempt to license rights to it from the prevailing party or could cause us to lose valuable intellectual property rights. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Litigation or other proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may also become involved in disputes with others regarding the ownership of intellectual property rights. For example, we jointly develop intellectual property with certain parties, and disagreements may therefore arise as to the ownership of the intellectual property developed pursuant to these relationships. If we are unable to resolve these disputes, we could lose valuable intellectual property rights.

Third parties may submit applications for patent term extensions in the United States or other jurisdictions where similar extensions are available and/or Supplementary Protection Certificates in the E.U. states (including Switzerland) seeking to extend certain patent protection which, if approved, may interfere with or delay the launch of one or more of our biosimilar products.

The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Patent litigation and other proceedings may fail, and even if successful, may result in substantial costs and distract our management and other employees. The companies that originated the products for which we intend to introduce biosimilar versions, as well as other competitors (including other biosimilar companies) may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace.

So called "submarine" patents may be granted to our competitors that may significantly alter our launch timing expectations, reduce our projected market size, cause us to modify our product or process or block us from the market altogether.

The term "submarine" patent has been used in the pharmaceutical industry and in other industries to denote a patent issuing from an application that was not published, publically known or available prior to its grant. Submarine patents add substantial risk and uncertainty to our business. Submarine patents may issue to our competitors covering our biosimilar product candidates or our pipeline candidates and thereby cause significant market entry delay, defeat our ability to market our products or cause us to abandon development and/or commercialization of a molecule.

Examples of submarine patents include Brockhaus, *et al*., U.S. patents 8,063,182 and 8,163,522 (controlled by Amgen), which are directed to the fusion protein in Enbrel. The Brockhaus patents are presently subject to litigation in which Sandoz is seeking to invalidate the patents. If challenges to the scope, validity or enforceability of the Brockhaus patents are not successful, these patents, unless licensed to us by Amgen, will preclude our ability to introduce an etanercept (Enbrel) biosimilar product candidate in the U.S. market until at least 2029.

A further example of a submarine patent is Fiers, *et al*., U.S. patent 7,588,755 owned by Biogen Idec Inc., or Biogen, directed to Biogen's multiple sclerosis, or MS, drug, Avonex, which issued September 15, 2009 and expires in September 2026. This patent was not published prior to its issuance, and the public therefore had no notice that it was pending in the USPTO. Although we have no present plans to commercialize a biosimilar version of Avonex, we understand that the issuance of this patent disrupted the commercial plans of certain competitors of Biogen that market MS drugs in the United States, and those competitors have initiated litigation to challenge the '755 patent.

The issuance of one or more submarine patents may harm our business by causing substantial delays in our ability to introduce a biosimilar candidate into the U.S. market.

We may not identify relevant patents or may incorrectly interpret the relevance, scope or expiration of a patent which might adversely affect our ability to develop and market our products.

We cannot guarantee that any of our patent searches or analyses, including but not limited to the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete and thorough, nor can we be certain that we have identified each and every patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products or pipeline molecules. We may incorrectly determine that our products are not covered by a third party patent.

Many patents may cover a marketed product, including but not limited to the composition of the product, methods of use, formulations, cell line constructs, vectors, growth media, production processes and purification processes. The identification of all patents and their expiration dates relevant to the production and sale of an originator product is extraordinarily complex and requires sophisticated legal knowledge in the relevant jurisdiction. It may be impossible to identify all patents in all jurisdictions relevant to a marketed product. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect which may negatively impact our ability to develop and market our products.

Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

Although we are not currently involved in any litigation, we may be involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.

Although we have no issued patents, when and if we do obtain issued patents, we may discover that competitors are infringing those patents. Expensive and time-consuming litigation may be required to abate such

infringement. Although we are not currently involved in any litigation to enforce patents, if we or one of our collaboration partners, such as Baxter, Daiichi Sankyo or Orox, were to initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including but not limited to lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone involved in the prosecution of the patent withheld relevant or material information related to the patentability of the invention from the USPTO or made a misleading statement during prosecution. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if we cannot obtain a license from the prevailing party on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development partnerships that would help us bring our product candidates to market.

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

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

We employ individuals, retain independent contractors and consultants and members on our board of directors or Scientific Advisory Board who were previously employed at universities or other pharmaceutical companies, including our competitors or potential competitors. For example, our Chief Executive Officer, Dennis M. Lanfear, and our Chief Technical Officer, Peter K. Watler, Ph.D., are former employees of Amgen. Our Chief Scientific Officer, Alan C. Herman, Ph.D., is a former employee of Amgen and Genentech. Mr. Lanfear and Drs. Watler and Herman were employed at Amgen during periods when Amgen's operations included the development and commercialization of Neupogen, Neulasta and Enbrel. Our Chief Medical Officer, Barbara K. Finck, M.D., is a former employee of Immunex (the company that initially discovered the drug Enbrel and was later acquired by Amgen). Dr. Finck was involved in the clinical development of etanercept (Enbrel) while at Immunex and is a named inventor on at least four U.S. patents assigned to Amgen directed to the use of etanercept (Enbrel) for the treatment of psoriasis and psoriatic arthritis. Our board of directors and Scientific Advisory Board include members that were former employees of Genentech, Amgen and Abbott Laboratories. Although we try to ensure that our employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for us and we are not currently subject to any claims that they have done so, we may in the future be subject to such claims. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

If we are unable to obtain and maintain effective patent rights for our product candidates or any future product candidates, we may not be able to prevent competitors from using technologies we consider important in our successful development and commercialization of our product candidates, resulting in loss of any potential competitive advantage our patents may have otherwise afforded us.

While our principal focus in matters relating to intellectual property is to avoid infringing the valid and enforceable rights of third parties, we also rely upon a combination of patents, trade secret protection and confidentiality agreements to protect our own intellectual property related to our product candidates and development programs. Our ability to enjoy any competitive advantages afforded by our own intellectual property depends in large part on our ability to obtain and maintain patents and other intellectual property protection in the United States and in other countries with respect to various proprietary elements of our product candidates, such as, for example, our product formulations and processes for manufacturing our products and our ability to maintain and control the confidentiality of our trade secrets and confidential information critical to our business.

We have sought to protect our proprietary position by filing patent applications in the United States and abroad related to our products that are important to our business. This process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. There is no guarantee that any patent application we file will result in an issued patent having claims that protect our products. Additionally, while the basic requirements for patentability are similar across jurisdictions, each jurisdiction has its own specific requirements for patentability. We cannot guarantee that we will obtain identical or similar patent protection covering our products in all jurisdictions where we file patent applications.

The patent positions of biopharmaceutical companies generally are highly uncertain and involve complex legal and factual questions for which legal principles remain unresolved. As a result, the patent applications that we own or license may fail to result in issued patents with claims that cover our product candidates in the United States or in other foreign countries for many reasons. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found, considered or cited during patent prosecution, which can be used to invalidate a patent or prevent a patent from issuing from a pending patent application. Even if patents do successfully issue, and even if such patents cover our product candidates, third parties may challenge their validity, enforceability or scope, which may result in such patent claims being narrowed, found unenforceable or invalidated. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates or prevent others from designing around our claims. Any of these outcomes could impair our ability to prevent competitors from using the technologies claimed in any patents issued to us, which may have an adverse impact on our business.

Patents granted by the European Patent Office may be opposed by any person within nine months from the publication of their grant and, in addition, may be challenged before national courts at any time. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims. If the breadth or strength of protection provided by the patents and patent applications we hold, license or pursue with respect to our product candidates is threatened, it could threaten our ability to prevent third parties from using the same technologies that we use in our product candidates. In addition, recent changes to the patent laws of the United States provide additional procedures for third parties to challenge the validity of issued patents based on patent applications filed after March 15, 2013. If the breadth or strength of protection provided by the patents and patent applications we hold or pursue with respect to our current or future product candidates is challenged, then it could threaten our ability to prevent competitive products using our proprietary technology. Further, because patent applications in the United States and most other countries are confidential for a period of time, typically for 18 months after filing, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications. Furthermore, for applications filed before March 16, 2013 or patents issuing from such applications, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications and patents. As of March 16, 2013, the United

States transitioned to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications claiming the same invention are filed by different parties. A third party that files a patent application in the USPTO before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party.

The change to "first-to-file" from "first-to-invent" is one of the changes to the patent laws of the United States resulting from the Leahy-Smith America Invents Act, or the Leahy-Smith Act, signed into law on September 16, 2011. Among some of the other significant changes to the patent laws are changes that limit where a patentee may file a patent infringement suit and provide opportunities for third parties to challenge any issued patent in the USPTO. It is not yet 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.

We do not have any issued patents, but we have filed patent applications, which are currently pending, covering various aspects of our product candidates. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patent or whether any issued patents will be found invalid and unenforceable or will be threatened or infringed by third parties. Any successful actions by third parties to challenge the validity or enforceability of any patents which may issue to us could deprive us the ability to prevent others from using the technologies claimed in such issued patents. Further, if we encounter delays in regulatory approvals, the period of time during which we could market a product candidate under patent protection could be reduced.

While our business is based primarily on the timing of our biosimilar product launches to occur after the expiration of relevant patents, we have filed a number of patents covering our own proprietary formulations and processes for our product candidates when we have believed securing such patents may afford a competitive advantage. For example, the companies that originated Enbrel and Humira (Amgen and AbbVie, respectively) own patents directed to formulations for these products. Rather than wait for the expiration of these formulation patents, we have developed our own proprietary formulations for these products which we believe are not covered by third party patents, including Amgen or AbbVie's formulation patents; and we have filed patent applications covering our formulations. We cannot guarantee that our proprietary formulations will avoid infringement of third party patents. Moreover, because competitors may be able to develop their own proprietary product formulations, it is uncertain whether issuance of any of our pending patent applications directed to formulations of etanercept (Enbrel) and adalimumab (Humira) would cover the formulations of any competitors. For example, we are aware that Sandoz is developing biosimilar versions of etanercept (Enbrel) and adalimumab (Humira) and has filed patent applications directed to formulations for of etanercept (Enbrel) and adalimumab (Humira). We are also aware that Boehringer-Ingelheim is developing a biosimilar version of adalimumab (Humira) and has filed a patent application directed to formulations of adalimumab (Humira). We have also filed patent applications, none of which have yet issued, directed to aspects of our manufacturing processes for CHS-0214. In contrast to our patent applications directed to formulations of CHS-0214 and CHS-1420, the proprietary technologies embodied in our process-related patent filings, while directed to inventions we believe may provide us with competitive advantage, were not developed by us to avoid third party patents. As in the case of our formulation patent filings, it is highly uncertain and we cannot predict whether our patent filings on process enhancements will afford us a competitive advantage against third parties.

We do not consider it necessary for us or our competitors to obtain or maintain a proprietary patent position in order to engage in the business of biosimilar development and commercialization. Hence, while our ability to secure patent coverage on our own proprietary developments may improve our competitive position with respect to the product candidates we intend to commercialize, we do not view our own patent filings as a necessary or essential requirement for conducting our business nor do we rely on our own patent filings or the potential for any commercial advantage they may provide us as a basis for our success.

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

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. 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 noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

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

Filing, prosecuting, defending and enforcing patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Further, licensing partners such as Baxter or Daiichi Sankyo may chose not to file patent applications in certain jurisdictions in which we may obtain commercial rights, thereby precluding the possibility of later obtaining patent protection in these countries. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States or importing products made using our inventions into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may also export infringing products to territories where we have patent protection, but the ability to enforce our patents is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Governments of some foreign countries may force us to license our patents to third parties on terms that are not commercially reasonable or acceptable to us. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. In addition, the United States has recently enacted and is currently implementing wide-ranging patent reform legislation. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations.

In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on

future actions by the United States Congress, the Federal Courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

If we are unable to maintain effective (non-patent) proprietary rights for our product candidates or any future product candidates, we may not be able to compete effectively in our markets.

While we have filed patent applications to protect certain aspects of our own proprietary formulation and process developments, we also rely on trade secret protection and confidentiality agreements to protect proprietary scientific, business and technical information and know-how that is not or may not be patentable or that we elect not to patent. However, confidential information and trade secrets can be difficult to protect. Moreover, the information embodied in our trade secrets and confidential information may be independently and legitimately developed or discovered by third parties without any improper use of or reference to information or trade secrets. We seek to protect the scientific, technical and business information supporting our operations, as well as the confidential information relating specifically to our product candidates by entering into confidentiality agreements with parties to whom we need to disclose our confidential information, for example, our employees, consultants, scientific advisors, board members, contractors, potential collaborators and financial investors. However we cannot be certain that such agreements have been entered into with all relevant parties. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, and we may not have adequate remedies for any breach. Our confidential information and trade secrets thus may become known by our competitors in ways we cannot prove or remedy.

Although we expect all of our employees and consultants to assign their inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, we cannot provide any assurances that all such agreements have been duly executed. We cannot guarantee that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, 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. Misappropriation or unauthorized disclosure of our trade secrets could impair our competitive position and may have a material adverse effect on our business. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. We cannot guarantee that our employees, former employees or consultants will not file patent applications claiming our inventions. Because of the “first-to-file” laws in the United States, such unauthorized patent application filings may defeat our attempts to obtain patents on our own inventions.

We may be subject to claims challenging the inventorship of our patent filings and other intellectual property.

Although we are not currently aware of any claims challenging the inventorship of our patent applications or ownership of our intellectual property, we may in the future be subject to claims that former employees, collaborators or other third parties have an interest in our patent applications or patents we may be granted or other intellectual property as an inventor or co-inventor. For example, we may have inventorship or ownership disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of or right to use valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

If we fail to comply with our obligations in the agreements under which we license intellectual property and other rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We are a party to certain non-exclusive intellectual property license agreements with Genentech (pertaining to the production of monoclonal antibodies directed to tumor necrosis factor alpha, or TNF) and Selexis SA (pertaining to cell lines for CHS-0214 and CHS-1420) that are important to our business, and we expect to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that future license agreements will impose, various diligence, milestone payment, royalty and other obligations on us. If we fail to comply with our obligations under these agreements or we are subject to a bankruptcy, we may be required to make certain payments to the licensor, we may lose the exclusivity of our license or the licensor may have the right to terminate the license, in which event we would not be able to develop or market products covered by the license. Additionally, the milestone and other payments associated with these licenses will make it less profitable for us to develop our product candidates.

In the event we breach any of our obligations related to such agreements, we may incur significant liability to our licensing partners. Disputes may arise regarding intellectual property subject to a licensing agreement, including but not limited to:

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

If disputes over intellectual property and other rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates and that could have a material adverse effect on our business.

We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in-licenses.

We currently have rights to certain intellectual property, through licenses from third parties and under patent applications that we own, to develop CHS-0214 and CHS-1420. Because we may find that our programs 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. We may be unable to acquire or in-license compositions, methods of use, processes or other third party intellectual property rights from third parties that we identify as necessary for our product candidates. 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, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to 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 or maintain the existing intellectual property rights we have, we may have to abandon development of that program and our business and financial condition could suffer.

Our ability to market our products in the United States may be significantly delayed or prevented by the BPCIA patent dispute resolution mechanism.

The Biologics Price Competition and Innovation Act of 2009, Title VII, Subtitle A of the Patent Protection and Affordable Care Act, Pub.L.No.111-148, 124 Stat.119, Sections 7001-02 signed into law March 23, 2010, or the BPCIA, created an elaborate and complex patent dispute resolution mechanism for biosimilars that could prevent us from launching our product candidates in the United States or could substantially delay such launches. The BPCIA mechanism required for 351(k) biosimilar applicants may pose greater risk that patent infringement litigation will disrupt our activities, as compared to the litigation risk to which we might be exposed under a traditional 351(a) BLA regulatory pathway.

The BPCIA mandates patent disclosure and briefing requirements that are demanding, time-sensitive and, to date, untested. The following is an overview of the patent exchange and patent briefing procedures required by the BPCIA:

1. Disclosure of the Biosimilar Application. Within 20 days after the FDA publishes a notice that its application has been accepted for review, a 351(k) biosimilar applicant must provide a copy of its application to the originator.
2. Identification of Pertinent Patents. Within 60 days of the date of receipt of the application the originator must identify patents owned or controlled by the originator which it believes could be asserted against the biosimilar applicant.
3. Statement by the Biosimilar Applicant. Following the receipt of the originator's patent list, the biosimilar applicant must state either that it will not market its product until the relevant patents have expired or alternatively provide its arguments that the patents are invalid, unenforceable or would not be infringed by the proposed biosimilar product candidate. The biosimilar applicant may also provide the originator with a list of patents it believes the brand-name firm could assert against the reference product.
4. Statement by the Originator. In the event the biosimilar applicant has asserted that the patents are invalid, unenforceable or would not be infringed by the proposed follow-on product, the originator must provide the biosimilar applicant with a response within 60 days. The response must provide the legal and factual basis of the opinion that such patent will be infringed by the commercial marketing of the proposed biosimilar.
5. Patent Resolution Negotiations. If the originator provides its detailed views that the proposed biosimilar would infringe valid and enforceable patents, then the parties are required to engage in good faith negotiations to identify which of the discussed patents will be the subject of a patent infringement action. If the parties agree on the patents to be litigated, the brand-name firm must bring an action for patent infringement within 30 days.
6. Simultaneous Exchange of Patents. If those negotiations do not result in an agreement within 15 days, then the biosimilar applicant must notify the originator of how many patents (but not the identity of those patents) that it wishes to litigate. Within five days, the parties are then required to exchange lists identifying the patents to be litigated. The number of patents identified by the originator may not exceed the number provided by the biosimilar applicant. However, if the biosimilar applicant previously indicated that no patents should be litigated, then the originator may identify one patent.
7. Commencement of Patent Litigation. The originator must then commence patent infringement litigation within 30 days. That litigation will involve all of the patents on the originator's list and all of the patents on the follow-on applicant's list. The follow-on applicant must then notify the FDA of the litigation. The FDA must then publish a notice of the litigation in the Federal Register.
8. Notice of Commercial Marketing. The BPCIA requires the biosimilar applicant to provide notice to the originator 180 days in advance of its first commercial marketing of its proposed follow-on biologic. The originator is allowed to seek a preliminary injunction blocking such marketing based upon any patents that either party had preliminarily identified, but were not subject to the initial phase of patent litigation. The litigants are required to "reasonably cooperate to expedite such further discovery as is needed" with respect to the preliminary injunction motion.

Biosimilar companies such as ours have the option of applying for U.S. regulatory approval for our products under either a traditional 351(a) BLA approval route, or under the recently enacted streamlined 351(k) approval route established by the BPCIA. The factors underpinning such a decision are extremely complex and involve, among other things, balancing legal risk (in terms of, e.g., the degree and timing of exposure to potential patent litigation by the originator) versus regulatory risks (in terms of, e.g., the development costs and the differing scope of regulatory approval that may be afforded under 351(a) versus 351(k)).

A significant legal risk in pursuing regulatory approval under the 351(k) regulatory approval route is that the above-summarized patent exchange process established by the BPCIA could result in the initiation of patent infringement litigation prior to FDA approval of a 351(k) application, and such litigation could result in blocking the market entry of our products. In particular, while the 351(k) route is more attractive to us (versus 351(a)) for reasons related to development time and costs and the potential broader scope of eventual regulatory approval for our proposed biosimilar candidates, the countervailing risk in such a regulatory choice is that the complex patent exchange process mandated by the BPCIA could ultimately prevent or substantially delay us from launching our products in the United States.

Moreover, the disclosure process required in Step 1 of the process outlined above, which requires the biosimilar applicant to disclose not only the regulatory application but also the applicant's manufacturing process, has the potential to afford originators an easier path than traditional infringement litigation for developing any factual grounds they may require to support allegations of infringement. The rules established in the BPCIA's patent dispute procedures (versus the rules governing traditional patent infringement litigation) place biosimilar firms at a significant disadvantage by affording originators a much easier mechanism for factual discovery, thereby increasing the risk that a biosimilar product could be blocked from the market more quickly than under traditional patent infringement litigation processes.

Preparing for and conducting the patent exchange, briefing and negotiation process outlined above will require extraordinarily sophisticated legal counseling and extensive planning, all under extremely tight deadlines. Moreover, it may be difficult for us to secure such legal support if large, well-funded originators have already entered into engagements with highly qualified law firms or if the most highly qualified law firms choose not to represent biosimilar applicants due to their long standing relationships with originators.

Furthermore, we could be at a serious disadvantage in this process as an originator company, such as Amgen (in the case of CHS-1420 or CHS-0214) or AbbVie (in the case of CHS-1420) may be able to apply substantially greater legal and financial resources to this process than we could.

Although we are not aware that the patent disclosure and dispute resolution mechanisms of the BPCIA patent exchange process have yet been employed by any biosimilar companies, nor legally tested in any court cases, we are aware that some biosimilar companies, namely Sandoz and Celltrion, Inc., or Celltrion, are engaged in legal challenges against originators to establish their right to bring declaratory judgment actions against such originators outside the complex framework of the BPCIA patent exchange rules in order to challenge the validity of the originators' patents *prior* to the filing of any biosimilar regulatory application. For example, in the Sandoz case against the originator Amgen (relating to Sandoz' proposed etanercept (Enbrel) biosimilar) the Federal District Court ruled that Sandoz did not have the right to bring a declaratory judgment action against Amgen to challenge the validity of certain Amgen's patents directed to Enbrel, but instead determined that Sandoz must use the patent exchange mechanism established in the BPCIA.

While the ability to file declaratory judgment actions outside the framework of the BPCIA may be attractive to us for addressing and resolving patent infringement risks prior to the expenditure of substantial development and regulatory costs, we see substantial risk that the Federal Appeals Court could uphold the District Court's decision in the Sandoz v. Amgen case. This would require biosimilar applicants to test (or defend against) originator patents *only* in the BPCIA process, *after* they have filed for regulatory approval under 351(k). We believe this required order of events may expose biosimilar applicants to more patent litigation risk than they might otherwise be exposed to in litigation conducted outside the BPCIA framework, such as under a regulatory application that we might choose to pursue under 351(a), where an originator would not be able to use the BPCIA procedures to potentially block the launch of a biosimilar product candidate.

Whether courts will view the BPCIA process as the *sole* avenue for a biosimilar entity and the originator to identify and potentially litigate such patents remains highly uncertain. We see substantial risk that a final outcome to that effect in the Sandoz and Celltrion cases could increase patent infringement risks for companies, including ours, seeking to introduce biosimilar versions of originator products.

If we file a 351(k) regulatory approval application for one or more of our products, we may consider it necessary or advisable to adopt the strategy of selecting one or more patents of the originator to litigate in the above described BPCIA process (for example in steps 3 and 7, of the process, as outlined above), either to assert our non-infringement of such patents or to challenge their validity; but we may ultimately not be successful in that strategy and could be prevented from marketing the product in the United States.

Under the complex, untested and uncertain rules of the BPCIA patent provisions, coupled with the inherent uncertainty surrounding the legal interpretation of any originator patents that might be asserted against us in this new process, we see substantial risk that the BPCIA process may significantly delay or defeat our ability to market our products in the United States.

Risks Related to Our Business Operations

We may not be successful in our efforts to identify, develop or commercialize additional product candidates.

Although a substantial amount of our effort will focus on the continued clinical testing, potential approval and commercialization of our existing product candidates, the success of our business also depends upon our ability to identify, develop and commercialize additional product candidates. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful. Our development efforts may fail to yield additional product candidates suitable for clinical development and commercialization for a number of reasons, including but not limited to the following:

- we may not be successful in identifying potential product candidates that pass our strict screening criteria;
- we may not be able to overcome technological hurdles to development or a product candidate may not be capable of producing commercial quantities at an acceptable cost or at all;
- we may not be able to assemble sufficient resources to acquire or discover additional product candidates;
- our product candidates may not succeed in nonclinical or clinical testing;
- our potential product candidates may fail to show sufficient biosimilarity to originator molecules; and
- competitors may develop alternatives that render our product candidates obsolete or less attractive or the market for a product candidate may change such that a product candidate may not justify further development.

If any of these events occur, we may be forced to abandon our development efforts for a program or programs or we may not be able to identify, develop or commercialize additional product candidates, which would have a material adverse effect on our business and could potentially cause us to cease operations.

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

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as well as rules subsequently implemented by the Securities and Exchange Commission, or SEC, and The NASDAQ Global Market, or NASDAQ, have imposed various requirements on public companies. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas such as “say on pay” and pay parity. Recent legislation permits smaller “emerging growth companies” such as us to implement many of these requirements over a longer period and up to five years from the pricing of this offering. We intend to take advantage of this new legislation

but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain our current levels of such coverage.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. In particular, we will be required to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report, commencing in our annual report on Form 10-K for the year ending December 31, 2015, on the effectiveness of our internal controls over financial reporting, if then required by Section 404 of the Sarbanes-Oxley Act. Our testing may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management efforts. We currently do not have an internal audit group and rely on independent contractors for control monitoring and for the preparation and review of our consolidated financial statements. We are actively seeking additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to augment our current staff. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner or if we identify or our independent registered public accounting firm identifies deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities, which would require additional financial and management resources.

New laws and regulations as well as changes to existing laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act and rules adopted by the SEC and by NASDAQ, would likely result in increased costs to us as we respond to their requirements.

We have experienced a material weakness in our internal controls over financial reporting.

We have identified a material weakness with regard to our valuation of complex securities in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, that creates a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. Given this material weakness with regard to the valuation of warrants, embedded derivatives and contingent consideration and the underlying securities, management concluded that we did not maintain effective internal control over financial reporting as of March 31, 2014.

Although we are taking steps that we believe will address the underlying causes of the material weakness described above, primarily through hiring additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to augment our current staff, if we fail to effectively remediate this material weakness or other material weaknesses or deficiencies in our control environment that we identify in the future, we may be unable to accurately report our financial results, or report them within the time frames required by law or exchange regulations.

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

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the

Health Care and Education Reconciliation Act, or together, the PPACA, was passed, which substantially changes the way health care is financed by both governmental and private insurers and significantly impacts the U.S. pharmaceutical industry. The PPACA, among other things, addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected, increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, adds a provision to increase the Medicaid rebate for line extensions or reformulated drugs, establishes annual fees and taxes on manufacturers of certain branded prescription drugs and promotes a new Medicare Part D coverage gap discount program.

In addition, other legislative changes have been proposed and adopted in the United States since the PPACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, which went into effect on April 1, 2013 and will stay in effect through 2024 unless additional Congressional action is taken. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012 which, among other things, further reduced Medicare payments to certain providers, including physicians, hospitals and cancer treatment centers. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

We may be subject, directly or indirectly, to federal and state healthcare laws, including fraud and abuse, false claims, physician payment transparency and health information privacy and security laws. If we are unable to comply or have not fully complied with such laws, we could face substantial penalties.

If we obtain FDA approval for any of our product candidates and begin commercializing those products in the United States, our operations may be directly or indirectly through our customers subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, the federal False Claims Act and physician sunshine laws and regulations. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or in return for the purchase, recommendation, order or furnishing of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs;
- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting or causing to be presented claims for payment from Medicare, Medicaid or other third-party payors that are false or fraudulent and which may apply to entities that provide coding and billing advice to customers;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information;
- the federal physician "sunshine" requirements under the PPACA, which requires certain manufacturers of drugs, devices, biologics and medical supplies to report annually to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value made by such

manufacturers to physicians and teaching hospitals and ownership and investment interests held by physicians and their immediate family members and applicable group purchasing organizations; and

- state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers, state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws. For example, the PPACA, among other things, amends the intent requirement of the federal anti-kickback and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. Moreover, the PPACA provides that the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the False Claims Act.

If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government health care programs, such as Medicare and Medicaid, imprisonment and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

The international aspects of our business expose us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.

We currently have limited international operations of our own and have a number of international collaborations. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us or our collaboration partners to obtain and maintain regulatory approvals for the use of our products in various countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations by us or our collaboration partners;
- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems by our collaboration partners;
- limits in our or our collaboration partners' ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance; and

- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act its books and records provisions or its anti-bribery provisions.

Sanctions against Russia, and Russia's response to those sanctions, could materially adversely affect our business, financial condition and results of operations.

Due to Russia's recent military intervention in Ukraine, the United States and the E.U. have imposed sanctions on certain individuals and one financial institution in Russia and have proposed the use of broader economic sanctions. In response, Russia has imposed entry bans on certain U.S. lawmakers and officials. Our wholly owned subsidiary, InteKrin Therapeutics, Inc., or InteKrin, which we acquired in February 2014 is majority owner of a Russian pharmaceutical development entity, ZAO InteKrin, which holds $1.5 million of cash in Russian banks as of June 30, 2014. This Russian subsidiary of InteKrin conducts research and development activities for a product we acquired as part of our acquisition of InteKrin. The product is a small molecule peroxisome proliferator-activated receptor, or PPAR, gamma inhibitor that may hold promise in treatment of MS. While not a biosimilar, this PPAR gamma inhibitor compound may be complementary to biosimilar products for treatment of multiple sclerosis the Company is currently evaluating for inclusion in its pipeline. If the United States and the E.U. were to impose sanctions on Russian businesses, or if Russia were to take retaliatory action against U.S. companies operating in Russia, our research and development activities related to the InteKrin PPAR gamma inhibitor product could be materially adversely affected.

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 have a material adverse effect on the success of our business.

Our research and development activities and our third-party manufacturers' and suppliers' activities involve the controlled storage, use and disposal of hazardous materials, including the components of our product candidates and other hazardous compounds. We and our manufacturers and suppliers are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We cannot eliminate the risk of contamination, which could cause an interruption of our commercialization efforts, research and development efforts and business operations, environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that the safety procedures utilized by us and our third-party manufacturers for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, we cannot guarantee that this is the case or eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and state or federal or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance. We do not currently carry biological or hazardous waste insurance coverage.

We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our corporate headquarters and laboratory are located in the San Francisco Bay Area and in Southern California (Camarillo), respectively, and one of our collaboration partners, Daiichi Sankyo, is located in Japan. These locations have in the past experienced severe earthquakes and other natural disasters. We do not carry earthquake insurance. Earthquakes or other natural disasters could severely disrupt our operations or those of our collaboration partners and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using

all or a significant portion of our headquarters, that damaged critical infrastructure (such as the manufacturing facilities of our third-party contract manufacturers) or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business.

Risks Related to this Offering and Ownership of Our Common Stock

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

Prior to this offering, there has not been a public market for our common stock. An active trading market for our common stock may not develop following this offering. You may not be able to sell your shares quickly or at the market price if trading in our common stock is not active. The initial public offering price for the shares will be determined by negotiations between us and the representative of the underwriters and may not be indicative of prices that will prevail in the trading market.

The market price of our common stock is likely to be volatile. Our stock price could be subject to wide fluctuations in response to a variety of factors, including but not limited to the following:

- adverse results or delays in preclinical or clinical studies;
- any inability to obtain additional funding;
- any delay in filing an IND, NDA, BLA or other regulatory submission for any of our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory agency's review of that IND, NDA, BLA or other regulatory submission;
- the perception of limited market sizes or pricing for our product candidates;
- failure to successfully develop and commercialize our product candidates;
- post-marketing safety issues relating to our product candidates or biosimilars generally;
- failure to maintain our existing strategic collaborations or enter into new collaborations;
- failure by us or our licensors and strategic collaboration partners to prosecute, maintain or enforce our intellectual property rights;
- changes in laws or regulations applicable to our products;
- any inability to obtain adequate product supply for our product candidates or the inability to do so at acceptable prices;
- adverse regulatory decisions;
- introduction of new products, services or technologies by our competitors;
- failure to meet or exceed financial projections we may provide to the public;
- failure to meet or exceed the financial projections of the investment community;
- the perception of the pharmaceutical industry by the public, legislatures, regulators and the investment community;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us, our strategic collaboration partners or our competitors;

- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- additions or departures of key scientific or management personnel;
- significant lawsuits, including stockholder litigation and litigation filed by us or filed against us pertaining to patent infringement or other violations of intellectual property rights;
- the outcomes of any citizens petitions filed by parties seeking to restrict or limit the approval of biosimilar products;
- if securities or industry analysts do not publish research or reports about our business or if they issue an adverse or misleading opinion regarding our stock;
- changes in the market valuations of similar companies;
- general market or macroeconomic conditions;
- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- issuance of patents to third parties that could prevent our ability to commercialize our product candidates;
- reductions in the prices of originator products that could reduce the overall market opportunity for our product candidates intended as biosimilars to such originator products;
- the loss of one or more employees constituting our leadership team; and
- changes in biosimilar regulatory requirements that could make it more difficult for us to develop our product candidates.

In addition, biopharmaceutical 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.

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

As of June 30, 2014, our executive officers, directors, five percent stockholders and their affiliates beneficially owned approximately 83% of our voting stock and, upon closing of this offering, that same group will beneficially own approximately % of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options and warrants). Therefore, even after this offering, these stockholders will have the ability to influence us through their ownership positions, which may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may believe are in your best interest as one of our stockholders.

We are an "emerging growth company" and, due to the reduced reporting requirements applicable to emerging growth companies, certain investors may find investing in our common stock less attractive.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in this

prospectus and our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700.0 million as of any June 30 before that time or if we have total annual gross revenue of $1.0 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 or, if we issue more than $1.0 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. We cannot predict if investors will find our common stock less attractive because we may rely on this exemption. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

If you purchase our common stock in this offering, you will incur immediate and substantial dilution in the book value of your shares.

Investors purchasing shares of common stock in this offering will pay a price per share that substantially exceeds the pro forma book value per share of our tangible assets after subtracting our liabilities. As a result, investors purchasing shares of common stock in this offering will incur immediate dilution of $ per share, based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus, and our pro forma net tangible book value as of June 30, 2014. For information on how the foregoing amounts were calculated, see “Dilution.”

This dilution is due to the substantially lower price paid by our investors who purchased shares prior to this offering as compared to the price offered to the public in this offering, and the exercise of stock options granted to our employees. In addition, as of June 30, 2014, we had outstanding options and warrants to purchase 10,485,577 shares of our common stock; the exercise of any of these options or warrants would result in additional dilution. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation.

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

If our existing stockholders sell or indicate an intention to sell substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock, on an as-converted basis, outstanding as of June 30, 2014, upon the closing of this offering we will have outstanding a total of shares of common stock, assuming no exercise of the underwriters’ option to purchase additional shares. Of these shares, as of the date of this prospectus, approximately shares of our common stock, plus any shares sold upon exercise of the underwriters’ option to purchase additional shares, will be freely tradable, without restriction, in the public market immediately following this offering, assuming that current stockholders do not purchase shares in this offering.

The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus. After the lock-up agreements expire, based upon the number of shares of common stock, on an as-converted basis, outstanding as of March 31, 2014, up to an additional shares of common stock will be eligible for sale in the public market, of which approximately shares are held by directors, executive officers and other affiliates and will be subject to the manner of sale, volume limitations and public reporting requirements of Rule 144 under the Securities Act of 1933, as amended, or the Securities Act. J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, however, may, in their sole discretion, permit our officers, directors and other stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

In addition, as of June 30, 2014, approximately shares of common stock that are either subject to outstanding options, reserved for future issuance under our equity incentive plans or subject to outstanding warrants will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold or if it is perceived that they will be sold in the public market, the market price of our common stock could decline.

After this offering, the holders of approximately shares of our common stock, or including the shares underlying outstanding warrants, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

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

We will need additional capital in the future to continue our planned operations. To the extent we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. 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 may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

Pursuant to our 2014 Equity Incentive Award Plan, or the 2014 Plan, which will become effective immediately prior to the completion of this offering, our management is authorized to grant stock options and other equity-based awards to our employees, directors and consultants. An aggregate of shares will be available for issuance under the 2014 Plan. The number of shares available for future grant under the 2014 Plan will automatically increase on January 1 of each year by up to the least of shares and % of all shares of our capital stock outstanding as of December 31 of the prior calendar year, subject to the ability of our compensation committee to take action to reduce the size of the increase in any given year. Currently, we plan to register the increased number of shares available for issuance under the 2014 Plan each year. Pursuant to our 2014 Employee Stock Purchase Plan, or 2014 ESPP, which will become effective immediately prior to the completion of this offering, eligible employees will be able to acquire shares of our common stock at a discount to the prevailing market price, and an aggregate of shares will be available for issuance under the 2014 ESPP. The number of shares available for issuance under the 2014 ESPP will automatically increase on January 1 of each year by up to the least of shares and % of all shares of our capital stock outstanding as of December 31 of the prior calendar year, subject to the ability of our compensation committee to take action to reduce the size of the increase in any given year. If our board of directors elects to increase the number of shares available for future grant under the 2014 Plan or the 2014 ESPP, our stockholders may experience additional dilution, which could cause our stock price to fall.

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

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section entitled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary from their currently intended use. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders.

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

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research tax credits) to offset its post-change income or taxes may be limited. We have experienced ownership changes in the past and may experience ownership changes in the future as a result of this offering and/or subsequent shifts in our stock ownership (some of which shifts are outside our control). As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset such taxable income will be subject to limitations. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, even if we attain profitability, we may be unable to use a material portion of our NOLs and other tax attributes, which could adversely affect our future cash flows.

We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the appreciation of their stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders or remove our current management.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that may have the effect of delaying or preventing a change in control of us or changes in our management. Our amended and restated certificate of incorporation and bylaws, which will become effective upon the closing of this offering, include provisions that:

- authorize "blank check" preferred stock, which could be issued by our board of directors without stockholder approval and may contain voting, liquidation, dividend and other rights superior to our common stock;
- create a classified board of directors whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our corporate secretary pursuant to a resolution adopted by a majority of our board of directors;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors other than nominations made by or at the direction of the board of directors or a committee of the board of directors;
- provide that our directors may be removed only for cause or without cause by the holders of 66 2/3% of the voting power of all then outstanding shares of voting stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;

- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our board of directors to modify, alter or repeal our amended and restated bylaws; and
- require holders of 66 2/3% of the voting power of all then outstanding shares of voting stock to amend specified provisions of our amended and restated certificate of incorporation except for the provision making it possible for our board of directors to issue “blank check” preferred stock, and amended and restated bylaws.

These provisions, alone or together, could delay, deter or prevent hostile takeovers and changes in control or changes in our management.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "positioned," "potential," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the timing and the success of the design of the clinical trials and planned clinical trials of CHS-0214 (our etanercept (Enbrel) biosimilar candidate), CHS-1420 (our adalimumab (Humira) biosimilar candidate) and CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate);
- whether the results of our trials will be sufficient to support domestic or global regulatory approvals for CHS-0214, CHS-1420 and CHS-1701;
- our ability to obtain and maintain regulatory approval of CHS-0214, CHS-1420 and CHS-1701 or our future product candidates;
- our expectations regarding the potential market size and the size of the patient populations for our product candidates, if approved for commercial use;
- our expectation that our existing capital resources together with funding we expect to receive under our license agreements with Daiichi Sankyo Company, Limited and Baxter International, Inc. and the net proceeds from this offering will be sufficient to fund our operations for at least the next 12 months;
- the implementation of our business model and strategic plans for our business and product candidates;
- the initiation, timing, progress and results of future preclinical and clinical studies and our research and development programs;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates;
- our ability to maintain and establish collaborations or obtain additional funding;
- our reliance on third-party contract manufacturers to manufacture and supply our product candidates for us;
- the benefits of the use of CHS-0214, CHS-1420 and CHS-1701;
- the rate and degree of market acceptance of CHS-0214, CHS-1420 and CHS-1701 or any future product candidates;
- our expectations regarding government and third-party payor coverage and reimbursement;
- our ability to manufacture CHS-0214, CHS-1420 and CHS-1701 in conformity with regulatory requirements and to scale up manufacturing capacity of these products for commercial supply;
- our ability to compete with companies currently producing the reference products, including Enbrel, Humira and Neulasta;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act;
- our expected uses of the net proceeds to us from this offering;
- our financial performance; and
- developments and projections relating to our competitors and our industry.

These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the Securities and Exchange Commission, or SEC, after the date of this prospectus. See "Where You Can Find More Information."

This prospectus also contains estimates, projections and other information concerning our industry, our business and the markets for certain diseases, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research, or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates, projections and other information concerning our industry, our business and the markets for certain drugs, including data regarding the estimated size of those markets, their projected growth rates, the incidence of certain medical conditions and the perceptions and preferences of customers regarding certain therapies, as well as data regarding market research, estimates and forecasts prepared by our management. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which this data are derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph are derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of common stock in this offering will be approximately $ million at an assumed initial public offering price of $ per share, the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise in full their option to purchase additional shares of common stock, we estimate that net proceeds will be approximately $ million after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming the assumed initial public offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

We currently expect to use substantially all of the net proceeds from this offering as follows:

- approximately $ million to fund clinical development for CHS-0214 (our etanercept (Enbrel) biosimilar candidate);
- approximately $ million to fund clinical development for CHS-1420 (our adalimumab (Humira) biosimilar candidate);
- approximately $ million to fund clinical development for CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate);
- approximately $ million to pursue our development pipeline; and
- the remainder for working capital and other general corporate purposes, which may include the licensing of other products or technologies.

However, due to the uncertainties inherent in the product development and commercialization process, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for the above purposes. Our management will have broad discretion over the use of the net proceeds from this offering. The amounts and timing of our expenditures will depend upon numerous factors, including the timing and success of preclinical studies and any ongoing clinical trials or clinical trials we may commence in the future, the timing of regulatory submissions, any unforeseen delays or problems in the development of our manufacturing capabilities and supply chain, and the timing and amount of our future revenue, our future expenses as well as any collaborations or licensing that we may enter into with third parties for our product candidates, and any unforeseen cash needs.

Based on our planned use of the net proceeds from this offering and our existing cash and expected funding under our license agreements, we estimate that such funds will be sufficient to enable us to complete our ongoing clinical studies of CHS-0214, CHS-1420 and CHS-1701. We will require substantial capital in order to complete the remaining clinical development and to potentially commercialize these product candidates. See “Risk Factors —Risks Related to Our Financial Condition and Capital Requirements — Even if this offering is successful, we expect that we will need to raise substantial additional funding. This additional funding may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.”

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

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2014:

- on an actual basis;
- on a pro forma basis to give effect to:
  - the conversion of all outstanding shares of our preferred stock into an aggregate of 35,225,839 shares of common stock immediately prior to the consummation of this offering;
  - the issuance of 922,309 shares of common stock upon the cash exercise of all warrants to purchase common stock outstanding as of June 30, 2014, at $1.00 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised);
  - the issuance of 311,708 shares of common stock upon the cash exercise of all warrants to purchase convertible preferred stock as of June 30, 2014, at a weighted-average exercise price of $0.26 per share, and the subsequent conversion of such shares of convertible preferred stock into common stock immediately prior to the consummation of this offering (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised);
  - the reclassification of our convertible preferred stock warrant liability to additional paid-in capital; and
  - the filing of our amended and restated certificate of incorporation and adoption of our amended and restated bylaws immediately prior to the consummation of this offering.
- on a pro forma as adjusted basis to give further effect to our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with "Selected Consolidated Financial Data," our consolidated financial statements and the related notes appearing elsewhere in this prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this prospectus.

	June 30, 2014		
	Actual	Pro Forma	Pro Forma As Adjusted
		(in thousands, except share and per share data) (unaudited)	
Cash and cash equivalents	$ 108,869	$ 109,873	$
Convertible preferred stock warrant liability	$ 1,589	$ —	$
Series A convertible preferred stock $0.0001 par value:			
Shares authorized: 1,727,448 actual, no shares pro forma and pro forma as adjusted; shares issued and outstanding: 1,620,888 actual; no shares issued and outstanding, pro forma and pro forma as adjusted	1,191	—	
Series B convertible preferred stock $0.0001 par value:			
Shares authorized: 23,479,591 actual, no shares pro forma and pro forma as adjusted; shares issued and outstanding: 22,674,443 actual; no shares pro forma and pro forma as adjusted	94,630	—	
Series C convertible preferred stock $0.0001 par value:			
Shares authorized: 11,000,000 actual, no shares pro forma and pro forma as adjusted; shares issued and outstanding: 10,930,508 actual; no shares pro forma and pro forma as adjusted	65,403	—	
Stockholders' (deficit) equity:			
Preferred stock, par value $0.0001:			
Shares authorized: no shares, actual, pro forma and pro forma as adjusted; shares issued and outstanding: no shares actual, pro forma and pro forma as adjusted	—	—	
Common stock, $0.0001 par value:			
Shares authorized: 57,000,000 actual, pro forma and pro forma as adjusted; shares issued and outstanding: 7,708,937 actual, 44,168,793 pro forma, pro forma as adjusted	1	4	
Additional paid-in capital	3,151	166,965	
Accumulated other comprehensive income	32	32	
Accumulated deficit	(149,719)	(149,719)	
Total Coherus stockholders' (deficit) equity	(146,535)	17,282	
Noncontrolling interest	(113)	(113)	
Total stockholders' (deficit) equity	(146,648)	17,169	
Total capitalization	$ 16,165	$ 17,169	$

In the table above, the number of shares of common stock outstanding as of June 30, 2014, on an actual basis, does not include:

- 922,309 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.00 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 9,251,560 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $0.97 per share;
- 311,708 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.26 per share, which warrants prior to the

completion of this offering are exercisable to purchase convertible preferred stock, and which will automatically be net exercised immediately prior to this offering if not previously exercised;

- 991,414 shares of common stock reserved for issuance pursuant to future awards under our 2010 Equity Incentive Plan, as amended, as of June 30, 2014, which will become available for issuance under our 2014 Equity Incentive Award Plan after consummation of this offering;
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Employee Stock Purchase Plan, which will become effective upon the effectiveness of the registration statement to which this prospectus relates.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock in this offering and the net tangible book value per share of our common stock after this offering. As of June 30, 2014, we had a historical net tangible book value of $(150.2) million, or $(19.49) per share of common stock. Our net tangible book value represents total tangible assets less total liabilities, all divided by the number of shares of common stock outstanding as of June 30, 2014. Our pro forma net tangible book value at June 30, 2014, before giving effect to this offering, was $13.6 million, or $0.31 per share of our common stock, based on the total number of shares of our common stock outstanding as of June 30, 2014, after giving effect to the Transactions.

After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses, our pro forma as adjusted net tangible book value at June 30, 2014 would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of June 30, 2014	$(19.49)	
Pro forma increase in net tangible book value per share	19.80	
Pro forma net tangible book value per share as of June 30, 2014	0.31	
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors participating in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value as of June 30, 2014 after this offering by approximately $ million, or approximately $ per share, and would decrease (increase) dilution to investors in this offering by approximately $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) our pro forma as adjusted net tangible book value as of June 30, 2014 after this offering by approximately $ million, or approximately $ per share, and would decrease (increase) dilution to investors in this offering by approximately $ per share, assuming the assumed initial public offering price per share remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters fully exercise their option to purchase additional shares of common stock, pro forma as adjusted net tangible book value after this offering would increase to approximately $ per share, and there would be an immediate dilution of approximately $ per share to new investors.

To the extent that outstanding options or warrants with an exercise price per share that is less than the pro forma as adjusted net tangible book value per share, before giving effect to the issuance and sale of shares in this offering, are exercised, new investors will experience further dilution.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The following table shows, as of June 30, 2014, on a pro forma as adjusted basis, after giving effect to the Transactions, the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by new investors purchasing common stock in this offering at an assumed initial public offering price of $ per share, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
Investors participating in this offering					$
Total		100%	$	100%	

The number of shares of common stock to be outstanding after this offering is based on the number of shares outstanding as of June 30, 2014 and excludes the following:

- 922,309 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.00 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 9,251,560 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $0.97 per share;
- 311,708 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.26 per share, which warrants prior to the completion of this offering are exercisable to purchase convertible preferred stock, and which will automatically be net exercised immediately prior to this offering if not previously exercised;
- 991,414 shares of common stock reserved for issuance pursuant to future awards under our 2010 Equity Incentive Plan, as amended, as of June 30, 2014, which will become available for issuance under our 2014 Equity Incentive Award Plan after consummation of this offering;
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our 2014 Employee Stock Purchase Plan, which will become effective upon the effectiveness of the registration statement to which this prospectus relates

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data together with the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included in this prospectus. The consolidated statement of operations data for the years ended December 31, 2012 and 2013 and the consolidated balance sheet data as of December 31, 2012 and 2013 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the six months ended June 30, 2013 and 2014 and the consolidated balance sheet data as of June 30, 2014 are derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. We have included, in our opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results to be expected in the future, and our unaudited interim results are not necessarily indicative of the results to be expected for the full year or any other period.

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands, except share and per share data)			
Consolidated Statement of Operations Data:				
Revenue:				
Collaboration and license revenue — related party[1]	$ 1,899	$ 2,025	$ 1,013	$ 1,013
Collaboration and license revenue	—	726	—	7,548
Total revenue	1,899	2,751	1,013	8,561
Operating expenses:				
Research and development[2]	34,886	31,279	17,123	32,861
General and administrative[2]	5,531	7,465	2,613	7,399
Total operating expenses	40,417	38,744	19,736	40,260
Loss from operations	(38,518)	(35,993)	(18,723)	(31,699)
Interest expense	(1,514)	(5,293)	—	(3,899)
Other income (expense), net	7,014	(12,349)	1,152	(14,642)
Net loss	(33,018)	(53,635)	(17,571)	(50,240)
Net loss attributable to noncontrolling interest	—	—	—	113
Net loss attributable to Coherus	$ (33,018)	$ (53,635)	$ (17,571)	$ (50,127)
Net loss per share attributable to Coherus, basic and diluted[3]	$ (9.51)	$ (9.66)	$ (3.55)	$ (7.19)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted[3]	3,471,731	5,554,477	4,947,171	6,971,482
Pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		$ (1.68)		$ (1.18)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		24,488,112		30,145,504

(1) Represents revenue from Daiichi Sankyo Company, Limited, a holder of more than 10% of our common stock on an as-converted basis.

(2) Includes stock-based compensation expense as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands)			
Research and development	$268	$ 682	$ 299	$ 2,202
General and administrative	175	1,363	437	2,299
Total stock-based compensation expense	$443	$2,045	$ 736	$ 4,501

(3) See Note 12 to our audited consolidated financial statements and Note 11 to our interim condensed consolidated financial statements for an explanation of the method used to calculate basic and diluted net loss per share attributable to Coherus, the unaudited pro forma basic and diluted net loss per share attributable to Coherus and the weighted-average shares outstanding used to calculate the per share amounts.

	December 31,		June 30,
	2012	2013	2014
			(unaudited)
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 14,548	$ 39,554	$ 108,869
Working capital (deficit)	13,546	(8,024)	70,145
Total assets	26,533	47,447	122,183
Convertible notes	—	1,111	—
Convertible notes — related parties	—	3,092	—
Convertible preferred stock warrant liability	1,738	24,251	1,589
Convertible preferred stock	54,695	54,695	161,224
Accumulated deficit	(45,957)	(99,592)	(149,719)
Total stockholders' deficit	(45,503)	(97,077)	(146,648)

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

You should read the following discussion and analysis of our financial condition and results of operations together with the section of this prospectus entitled "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations and intentions. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section of this prospectus entitled "Risk Factors."

Overview

We are a late-stage clinical biologics platform company focused on the global biosimilar market. Biosimilars are an emerging class of protein-based therapeutics with high similarity to approved originator products on the basis of various physicochemical and structural properties, as well as in terms of safety, purity and potency. Our goal is to become a global leader in the biosimilar market by leveraging our team's collective expertise in key areas such as process science, analytical characterization, protein production and clinical-regulatory development. Since our founding in 2010, we have advanced one product candidate into Phase 3 clinical development, two others into or through Phase 1 clinical development and entered into partnerships with two global pharmaceutical companies.

Our clinical-stage biosimilar pipeline includes the following three product candidates:

- ***CHS-0214 (our etanercept (Enbrel) biosimilar candidate).*** CHS-0214 is a product candidate that we have partnered with Baxter International, Inc., Baxter Healthcare Corporation and Baxter Healthcare SA, or together, Baxter, and Daiichi Sankyo Company, Limited, or Daiichi Sankyo, to develop and commercialize in key markets outside of the United States. Please see "Business — Collaboration and License Agreements" for additional information. We are currently enrolling two Phase 3 clinical trials in rheumatoid arthritis and psoriasis. We expect results of these trials, if positive, combined with data from our Phase 1 studies, will support the expected filing of a marketing application in Europe in 2016. We have retained the development and commercial rights in the United States. However, at this time, we do not expect patent expiration in the United States until 2029.
- ***CHS-1420 (our adalimumab (Humira) biosimilar candidate).*** We completed a Phase 1 study for CHS-1420 in August 2014. We plan to initiate a Phase 3 clinical trial or trials in psoriasis or rheumatoid arthritis during the first half of 2015 to support the expected filing of a marketing application in the United States in 2016 and the European Union, or E.U., in 2017.
- ***CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate).*** We conducted a Phase 1 study for CHS-1701 between November 2012 and March 2013. We intend to begin a Phase 3 clinical trial in breast cancer patients exhibiting chemotherapy-induced neutropenia, i.e., increased susceptibility to infections, in the first half of 2015 to support the expected filing of a license application in the United States in 2016.

Our revenue to date has been generated primarily from collaboration and license payments pursuant to our license agreements with Daiichi Sankyo and Baxter. We have not generated any commercial product revenue. We have incurred significant losses in the past and expect to incur significant and increasing losses in the foreseeable future as we advance our product candidates into later stages of development and, if approved, commercialization. Our net losses were $33.0 million and $53.6 million for the years ended December 31, 2012 and 2013 and $17.6 million and $50.2 million for the six months ended June 30, 2013 and 2014. As of June 30, 2014, we had an accumulated deficit of $149.7 million.

On February 12, 2014, we completed the acquisition of InteKrin Therapeutics, Inc., or InteKrin, a privately held, clinical-stage biopharmaceutical company focused on the development and commercialization of novel therapies for the treatment of immune diseases such as multiple sclerosis. Pursuant to a licensing agreement with Amgen, we are obligated to use commercially reasonable efforts to develop InteKrin's product candidate.

We accounted for the acquisition as the purchase of a business. Total consideration for the acquisition of InteKrin was $5.0 million and consisted of: (a) the issuance of 1,194,686 shares of Series B convertible preferred stock with a fair value of $2.7 million, (b) the assumption of InteKrin's convertible promissory note payable to investors of InteKrin, which was concurrently paid off by issuing 406,483 shares of our Series B convertible preferred stock with an estimated fair value of $1.0 million, (c) a cash payment of $1,485 and (d) contingent consideration with a fair value of $1.3 million at the acquisition date. For additional information on the InteKrin merger, please see "Certain Relationships and Related Party Transactions — Sales and Purchases of Securities."

Financial Operations Overview

Revenue

We have not generated any revenue from commercial product sales to date. Our revenue has been generated from license and collaboration agreements, which is composed of license payments and milestone and other contingent payments, including reimbursements for research and development expenses under our license agreements.

Research and Development Expenses

Research and development expenses represent costs incurred to conduct research, such as the discovery and development of our product candidates. We recognize all research and development costs as they are incurred. We currently track only the external research and development costs incurred for each of our product candidates. Our external research and development expenses consist primarily of:

- expenses incurred under agreements with consultants, third-party contract research organizations, or CROs, and investigative sites where a substantial portion of our preclinical studies and all of our clinical trials are conducted;
- costs of acquiring originator comparator materials and manufacturing pre-clinical study and clinical trial supplies and other materials from contract manufacturing organizations, or CMOs, and related costs associated with release and stability testing; and
- costs associated with manufacturing process development activities.

Internal costs are associated with activities performed by our research and development organization and generally benefit multiple programs. These costs are not separately allocated by product candidate. Unallocated, internal research and development costs consist primarily of:

- personnel-related expenses, which include salaries, benefits and stock-based compensation; and
- facilities and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities, depreciation and amortization of leasehold improvements and equipment and laboratory and other supplies.

The following table summarizes our research and development expenses incurred during the respective periods:

	Phase of Development as of June 30, 2014	Year Ended December 31,		Six Months Ended June 30,	
		2012	2013	2013	2014
		(in thousands)			
External costs incurred by product candidate:					
CHS-0214[5]	Pre-phase 3[1]	$14,949	$10,011	$ 4,248	$15,439
CHS-1420	Phase 1[2]	1,798	6,603	3,661	7,226
CHS-1701	Pre-phase 3[3]	6,536	4,902	3,933	1,633
Other research and development expenses[4]		7,034	2,058	1,731	962
Internal costs		4,569	7,705	3,550	7,601
Total research and development expenses[5]		$34,886	$31,279	$17,123	$32,861

(1) CHS-0214 entered Phase 3 clinical trials in June and July 2014.
(2) CHS-1420 completed Phase 1 studies during the second half of 2014.
(3) CHS-1701 is expected to begin Phase 3 clinical trials in the first half of 2015.
(4) Amount consists of costs for other pipeline candidates.
(5) Our research and development expenses have been reduced by reimbursements of certain research and development expenses pursuant to the cost-sharing provision of our licensing agreement with Daiichi Sankyo. Reimbursement of research and development expenses under the Baxter licensing agreement was recognized as revenue pursuant to the revenue recognition accounting policy applicable to that agreement.

The largest component of our total operating expenses has historically been our investment in research and development activities, including the clinical development of our product candidates. We expect these expenses to increase in absolute dollars in the future as we continue to invest in research and development activities related to our product candidates in the future. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time consuming. Furthermore, in the past we have entered into collaborations with third parties to participate in the development and commercialization of our product candidates, and we may enter into additional collaborations in the future. In situations in which third parties have substantial influence over the development activities for product candidates, the estimated completion dates are not fully under our control. For example, pursuant to our collaboration agreements with respect to CHS-0214, our partners in licensed territories may exert considerable influence on the regulatory filing process globally. Therefore, we cannot forecast with any degree of certainty the duration and completion costs of these or other current or future clinical trials of our product candidates. We may never succeed in achieving regulatory approval for any of our product candidates. In addition, we may enter into other collaboration arrangements for our other product candidates, which could affect our development plans or capital requirements. See “Risk Factors — Risks Related to Our Financial Condition and Capital Requirements —Even if this offering is successful, we expect that we will need to raise substantial additional funding. This additional funding may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or other operations.”

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs, allocated facilities costs and other expenses for outside professional services, including legal, human resources, audit and accounting services. Personnel costs consist of salaries, benefits and stock-based compensation. We expect to incur increased expenses as a result of operating as a public company, including expenses related to compliance with the rules and regulations of the Securities and Exchange Commission, or SEC, or The NASDAQ Global Market, or NASDAQ, additional insurance expenses, investor relations activities and other administration and professional services.

Interest Expense

Interest expense consists primarily of interest incurred on our outstanding indebtedness and non-cash interest related to the amortization of debt discount associated with our various debt agreements and for the year ended December 31, 2012, includes interest expense resulting from a beneficial conversion feature related to our 2011 convertible notes. We expect that our interest expense will decrease as our outstanding convertible notes and related accrued interest were converted into shares of our Series C convertible preferred stock in May 2014.

Other Income (Expense), Net

Other income (expense), net consists of gains and losses resulting from the remeasurement of the fair value of our convertible preferred stock warrant liability, derivative liability associated with our convertible notes, and our contingent consideration. Additionally, for the year ended December 31, 2012 and for six months ended June 30, 2014, other income (expense), net includes the gain on the extinguishment of our 2011 convertible notes and the gain on the extinguishment of our 2013 convertible notes, respectively. We will continue to record adjustments to the estimated fair value of the convertible preferred stock warrants until these warrants are

exercised or expire. Upon completion of our initial public offering, our outstanding warrants will automatically net exercise and the convertible preferred stock warrant liability will be reclassified to additional paid-in capital, and we will no longer record adjustments to reflect the remeasurement of the fair values. Similarly, we will continue to record adjustments to the estimated fair value of our contingent consideration until the contingency settles or expires. We recorded adjustments to the estimated fair value of the embedded derivative liability associated with convertible notes until May 2014 when the notes were converted into shares of our Series C convertible preferred stock.

Critical Accounting Policies

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

Revenue Recognition

We generate revenue from collaboration and license agreements for the development and commercialization of our product candidates. Collaboration and license agreements may include non-refundable upfront payments, partial or complete reimbursement of research and development costs, contingent payments based on the occurrence of specified events under our collaboration arrangements, license fees and royalties on sales of product candidates if they are successfully approved and commercialized. Our performance obligations under the collaborations may include the transfer of intellectual property rights in the form of licenses, obligations to provide research and development services and related materials and participation on certain development and/or commercialization committees with the collaboration partners. We make judgments that affect the periods over which we recognize revenue.

Our collaboration and license agreements may provide for reimbursement by our collaborators of a portion of our research and development expenses, and we make judgments that affect how these reimbursements are recorded. In collaborations where we and our partner are actively and jointly engaged in the research activities and for which both parties are sharing costs, amounts reimbursed by our partner are recognized as a reduction of research and development expense. For example, Daiichi Sankyo reimburses certain of our research and development costs in quarterly advance payments pursuant to the cost-sharing provision of our collaboration and license agreement with them. Because they are an active participant in the research and development activities, we account for these reimbursements as reductions in our research and development expense when the applicable research and development activity has been performed. Under our collaboration agreement with Baxter, on the other hand, we recognize reimbursement of our research and development expenses thereunder as revenue because Baxter is not actively participating in research and development activities.

We recognize revenue when persuasive evidence of an arrangement exists; transfer of technology has been completed, services have been performed or products have been delivered; the fee is fixed and determinable; and collection is reasonably assured.

For revenue agreements with multiple-elements, we identify the deliverables included within the agreement and evaluate which deliverables represent separate units of accounting based on the achievement of certain criteria including whether the deliverable has stand-alone value to the collaborator. Upfront payments received in connection with licenses of our technology rights are deferred if facts and circumstances dictate that the license

does not have stand-alone value and are recognized as license revenue over the estimated period of performance that is generally consistent with the terms of the research and development obligations contained in the specific collaboration and license agreement. We periodically review our estimated periods of performance based on the progress under each arrangement and account for the impact of any changes in estimated periods of performance on a prospective basis.

At the inception of each agreement that includes milestone payments, we evaluate whether each milestone is substantive and at risk to both parties on the basis of the contingent nature of the milestone. We evaluate factors such as the scientific, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required to achieve the respective milestone and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment. Non-refundable payments that are contingent upon achievement of a substantive milestone are recognized in their entirety in the period in which the milestone is achieved, assuming all other revenue recognition criteria are met. Other contingent payments in which a portion of the milestone consideration is refundable or adjusts based on future performance or non-performance (e.g., through a penalty or claw-back provision) are not considered to relate solely to past performance, and therefore, not considered substantive. Amounts that are not recognized as revenue due to the uncertainty as to whether they will be retained or because they are expected to be refunded are recorded as a liability. We recognize non-substantive milestone payments over the remaining estimated period of performance once the milestone is achieved. Contingent payments associated with the achievement of specific objectives in certain contracts that are not considered substantive because we do not contribute effort to the achievement of such milestones are recognized as revenue upon achievement of the objective, as long as there are no undelivered elements remaining and no continuing performance obligations by us, assuming all other revenue recognition criteria are met.

Accrued Research and Development Expenses

As part of the process of preparing financial statements, we are required to estimate and accrue expenses, the largest of which are research and development expenses. This process involves the following:

- communicating with appropriate internal personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of actual cost;
- estimating and accruing expenses in our consolidated financial statements as of each balance sheet date based on facts and circumstances known to us at the time; and
- periodically confirming the accuracy of our estimates with service providers and making adjustments, if necessary.

Examples of estimated research and development expenses that we accrue include:

- fees paid to CROs in connection with preclinical and toxicology studies and clinical trials;
- fees paid to investigative sites in connection with clinical trials;
- fees paid to CMOs in connection with the production of clinical trial materials; and
- professional service fees for consulting and related services.

We base our expense accruals related to clinical trials on our estimates of the services received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical trials on our behalf. The financial terms of these agreements vary from contract to contract and may result in uneven payment flows. Payments under some of these contracts depend on factors, such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates.

To date, we have not experienced significant changes in our estimates of accrued research and development expenses after a reporting period. However, due to the nature of estimates, we cannot assure you that we will not make changes to our estimates in the future as we become aware of additional information about the status or conduct of our clinical trials and other research activities.

Estimated Fair Value of Convertible Preferred Stock Warrants

Freestanding warrants for the purchase of convertible preferred stock that is either subject to a put right or contingently redeemable are classified as liabilities on the consolidated balance sheet at their estimated fair value. At the end of each reporting period, changes in the estimated fair value during the period are recorded as other income (expense), net in the statement of operations and comprehensive loss. We will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants, at which time the liability would be reclassified to additional paid-in capital.

We estimate the fair values of the convertible preferred stock warrants by allocating the Company's equity value, using an option-pricing model. Our equity value was allocated among preferred stock, common stock, warrants and stock options expected to be outstanding at the liquidity events based on the rights and preferences of each class.

Derivative Liabilities

We had derivative instruments related to redemption features embedded within the outstanding convertible notes. The embedded derivatives were accounted for as a liability and were remeasured to fair value as of each balance sheet date, with the related remeasurement adjustment recognized as other income (expense), net in the statement of operations and comprehensive loss. The fair value of the derivative liability was determined based on an income approach that identified the cash flows using a "with-and-without" valuation methodology. The inputs used to determine estimated fair value of the derivative instruments include the probabilities of the underlying events triggering the embedded derivative and their timing.

There are two contingent payments associated with the acquisition of InteKrin: (i) the completion of the first dosing of a human subject in the first Phase 2 clinical trial for InteKrin, or the Earn-Out Payment and (ii) upon the execution of any license, sublicense, development, collaboration, joint venture, partnering or similar agreement between us and the third-party, or the Compound Transaction Payment. The contingent consideration is accounted for as a liability and remeasured to estimated fair value as of each balance sheet date and the related remeasurement adjustment is recognized as other income (expense), net in the statement of operations. We determined the fair value of the two contingent consideration scenarios (the Earn-Out Payment and the Compound Transaction Payment) using a probability-weighted discounted cash flow approach. A probability-weighted value was determined by summing the probability of achieving a contingent payment threshold by the respective contingent payment. The expected cash flows were discounted at a rate selected to capture the risk of achieving the contingent payment thresholds and earning the contingent payment. This risk is comprised of InteKrin's continued development, a specific risk factor associated with meeting the contingent consideration threshold and related payout and counterparty risk associated with the payment of the contingent consideration.

Stock-Based Compensation

Common Stock Options

Stock-based compensation expense related to stock options granted to employees is measured at the date of grant, based on the estimated fair value of the award and recognized as an expense over the employee's requisite service period on a straight-line basis. We estimate the grant date fair value and the resulting stock-based compensation expense using the Black-Scholes option-pricing model.

We account for stock-based compensation arrangements with non-employees using a fair value approach. The fair value of these options is measured using the Black-Scholes option pricing model reflecting the same

assumptions as applied to employee options in each of the reported periods, other than the expected life, which is assumed to be the remaining contractual life of the option. The fair value of the unvested options under these arrangements is subject to remeasurement over the vesting terms as earned.

We recorded non-cash stock-based compensation expense related to options granted to employees and nonemployees of $101,000 and $764,000 for the years ended December 31, 2012 and 2013, respectively, and $382,000 and $1.6 million for the six months ended June 30, 2013 and 2014, respectively.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

- *Expected term.* The expected term represents the period that stock-based awards are expected to be outstanding and is based on the options' vesting term, contractual term and industry peers. We do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post vesting employment termination behavior.
- *Expected volatility.* We use an average historical stock price volatility of industry peers to be representative of future stock price volatility as we do not have any trading history for our common stock.
- *Risk-free interest rate.* The risk free interest rate is based on the U.S. Treasury constant maturity rate in effect at the time of grant for periods corresponding with the expected term.
- *Expected dividends.* We have not paid and do not anticipate paying any dividends in the near future, and therefore we used an expected dividend yield of zero in the valuation model.

In addition to the Black-Scholes assumptions, we estimate our forfeiture rate based on an analysis of our actual forfeitures and will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behavior and other factors. The impact from any forfeiture rate adjustment would be recognized in full in the period of adjustment and if the actual number of future forfeitures differs from our estimates, we might be required to record adjustments to stock-based compensation in future periods.

Historically, for all periods prior to this initial public offering, the fair values of the shares of common stock underlying our share-based awards were estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, contemporaneous valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Given the absence of a public trading market for our common stock, our board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including our stage of development; progress of our research and development efforts; the rights, preferences and privileges of our preferred stock relative to those of our common stock; equity market conditions affecting comparable public companies; and the lack of marketability of our common stock.

In determining a fair value for our common stock, we estimated the enterprise value of our business using the prior sale of stock method of the market approach. The prior sale of stock method of the market approach estimates the enterprise value of a company based on transactions involving equity securities of the enterprise with unrelated investors or among unrelated investors themselves. In using this method, factors about whether those transactions involve any stated or unstated rights or privileges, the sophistication of the purchasers, relationship with us and size of the purchase are also considered. All of the contemporaneous valuations of our common stock used the "back solve" method of the option-pricing method, or OPM, which derives the implied equity value for one type of equity security from a contemporaneous transaction involving another equity security. The contemporaneous transactions occurred in close proximity and involved third-party investors. Given the arm's-length nature of the recent financings and the close proximity of the Series B and C convertible preferred stock financings to the respective valuation dates, we believe the per share issuance price of the Series

B and C convertible preferred stock provided indications of our equity value, as well as the fair value of common stock, as of each of the valuation dates. The estimated enterprise value is then allocated to the common stock using the OPM, the Probability Weighted Expected Return Method, or PWERM, or the hybrid method. The hybrid method applied the PWERM utilizing the probability of two exit scenarios, going public or being acquired and a liquidation scenario.

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

The intrinsic value of all outstanding options as of June 30, 2014 was $ million based on the estimated fair value of our common stock of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.

Founders' Shares

In October 2010 and January 2011, we issued 6,885,000 shares and 1,615,000 shares of common stock, respectively, at $0.005 per share to our founders under the founder stock agreements. These founders' shares are subject to a repurchase option in our favor that lapses over time subject to continued service. As such, we recorded stock-based compensation based on the fair value of the common stock on the date of issuance. One of the holders of the founders' shares is a consultant, therefore the fair value of the consultant's founder shares is measured using the Black-Scholes option-pricing model reflecting the same assumptions as applied to employee options in each of the reported years, other than the expected life, which is assumed to be the remaining contractual life of the vesting period. We recorded non-cash stock-based compensation expense related to the founders' shares of $342,000 and $1.3 million for the years ended December 31, 2012 and 2013, and $354,000 and $238,000 for the six months ended June 30, 2013 and 2014.

Common Stock Warrants

In March 2014, we issued warrants to purchase 922,309 shares of common stock with an exercise price of $1.00 per share to two employees and a member of our board of directors in his capacity as a consultant to us for past services. We valued the warrants at $2.7 million using the Black-Scholes option-pricing model. Due to the immediate exercisability of the warrants upon issuance, we immediately recognized $1.3 million and $1.4 million in research and development expense and general and administrative expense, respectively, in the condensed consolidated statement of operations. None of the warrants were exercised as of June 30, 2014.

Results of Operations

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands)			
Revenue:				
Collaboration and license revenue — related party[1]	$ 1,899	$ 2,025	$ 1,013	$ 1,013
Collaboration and license revenue	—	726	—	7,548
Total revenue	1,899	2,751	1,013	8,561
Operating expenses:				
Research and development	34,886	31,279	17,123	32,861
General and administrative	5,531	7,465	2,613	7,399
Total operating expenses	40,417	38,744	19,736	40,260
Loss from operations	(38,518)	(35,993)	(18,723)	(31,699)
Interest expense	(1,514)	(5,293)	—	(3,899)
Other income (expense), net	7,014	(12,349)	1,152	(14,642)
Net loss	(33,018)	(53,635)	(17,571)	(50,240)
Net loss attributable to noncontrolling interest	—	—	—	113
Net loss attributable to Coherus	$(33,018)	$(53,635)	$(17,571)	$(50,127)

(1) Represents revenue from Daiichi Sankyo Company, Limited, a holder of more than 10% of our common stock on an as-converted basis.

Comparison of Six Months Ended June 30, 2013 and 2014

Collaboration and License Revenue

	Six Months Ended June 30,		Increase/ (Decrease)
	2013	2014	
	(in thousands)		
Daiichi Sankyo — related party	$ 1,013	$ 1,013	$ —
Baxter	—	7,548	7,548
Total collaboration and license revenue	$ 1,013	$ 8,561	$ 7,548

The increase in collaboration and license revenue was primarily due to $7.5 million of revenue recognized in connection with the amortization of deferred revenue from our license agreement with Baxter, which we entered into in August 2013.

Research and Development Expenses

The increase in research and development expenses of $15.7 million to $32.9 million during the six months ended June 30, 2014 compared to the same period in 2013 was primarily due to an increase of $11.2 million in costs incurred to advance CHS-0214 to a Phase 3 clinical trial, which is already net of an increase of $1.8 million in cost reimbursements from Daiichi Sankyo that was recognized as a reduction of research and development expense, an increase of $3.6 million to advance CHS-1420 to a Phase 1 study and an increase of $3.5 million in personnel and consulting related expenses. The increase in personnel related expenses was due to the increase in stock-based compensation expense related to common stock warrants granted to certain employees and a consultant in March 2014 and an increase in headcount by ten employees. The increase was partly offset by a decrease of $2.3 million for CHS-1701 as we completed a Phase 1 study in March 2013.

General and Administrative Expenses

The increase in general and administrative expenses of $4.8 million to $7.4 million during the six months ended June 30, 2014 compared to the same period in 2013 was primarily due to a $3.3 million increase in personnel and consulting related expenses associated with an increase in stock-based compensation related to the common stock warrants granted to certain employees and a consultant in March 2014 and from an increase in headcount by eight employees. Additionally, there was an increase of $1.3 million in legal and accounting services to support the increasing infrastructure as we expand our operations and prepare to become a public company.

Interest Expense

Interest expense was $3.9 million during the six months ended June 30, 2014 compared to none for the six months ended June 30, 2013. The increase in interest expense was due to $3.6 million of non-cash amortization of the debt discount and $0.3 million of interest expense related to our convertible notes entered into during the third quarter of 2013.

Other Income (Expense), Net

The change in other income (expense), net from $1.2 million of income in the six months ended June 30, 2013 to expense of $14.6 million in the six months ended June 30, 2014 was due to the increase in the fair value of our convertible preferred stock warrants of $15.8 million and the increase in the estimated fair value of our contingent consideration obligations of $1.7 million. These charges were partly offset by the gain on the extinguishment of our 2013 Notes of $2.0 million.

Comparison of Years Ended December 31, 2012 and 2013

Collaboration and License Revenue

	Year Ended December 31,		Increase/ (Decrease)
	2012	2013	
	(in thousands)		
Daiichi Sankyo — related party	$1,899	$2,025	$ 126
Baxter	—	726	726
Total collaboration and license revenue	$1,899	$2,751	$ 852

The increase in collaboration and license revenue was primarily due to the $0.7 million of revenue recognized in connection with the amortization of deferred revenue under our license agreement with Baxter, which we entered into in August 2013.

Research and Development Expenses

The decrease in research and development expenses of $3.6 million to $31.3 million in 2013 compared to 2012 was due to the following:

- net decrease of $1.6 million for our CHS-1701 product candidate, primarily due to the decrease of $3.0 million in manufacturing, process development, pre-clinical studies and consulting costs due to costs incurred in 2012 in preparation for Phase 1 study. These decreases were partly offset by an increase of $1.5 million in Phase 1 study which took place in late 2012 and carried over to 2013;
- net decrease of $4.9 million for our CHS-0214 product candidate, primarily due to the decrease of $7.1 million in manufacturing, process development, pre-clinical studies and consulting costs due to costs incurred in 2012 in preparation for Phase 1 study which included the increase of $1.2 million in cost reimbursements from Daiichi Sankyo that was recognized as a reduction of research and development expense. These decreases were partly offset by an increase of $2.0 million in Phase 1 study which took place in 2013.

- decrease of $5.2 million in manufacturing, process development, pre-clinical studies and consulting costs for two of our pre-clinical candidates that were not further advanced due to partnering and market considerations in late 2012 and early 2013.

These decreases were partly offset by:

- increase of $4.8 million for our CHS-1420 product candidate, primarily due to manufacturing and pre-clinical study costs to advance to Phase 1 study;
- increase of $0.5 million in facility and other costs to support our increasing infrastructure; and
- increase of $2.5 million in personnel related expenses, including salaries and other employee related costs, resulting from additional headcount. The research and development headcount at the beginning of 2012 was two, increased to 19 at the end of 2012 and further increased to 22 at the end of the 2013.

General and Administrative Expenses

The increase in general and administrative expenses of $1.9 million to $7.5 million in 2013 compared to 2012 was primarily due to an increase in personnel and consulting related expenses resulting from additional headcount. The general and administrative headcount at the beginning of 2012 was three, increased to 11 at the end of 2012 and further increased to 14 by the end of 2013.

Interest Expense

Interest expense increased $3.8 million to $5.3 million in 2013 compared to $1.5 million in 2012. The interest expense of $1.5 million in 2012 is related to the accrued interest and amortization of debt discount, of which $1.0 million related to the beneficial conversion feature, $0.4 million related to debt discount amortization and $0.1 million related to interest on the outstanding debt. The interest expense of $5.3 million in 2013 is composed of $4.4 million of debt discount amortization, $0.3 million of interest on the outstanding debt, and $0.5 million related to an extended payment arrangement with one of our vendors.

Other Income (Expense), Net

Other income (expense), net, was $7.0 million in 2012 compared to ($12.3 million) in 2013. Other income in 2012 is primarily due to the gain on extinguishment of our 2011 convertible notes in 2012 of $6.4 million and the change in fair value of our convertible preferred stock warrant liability of $0.6 million. Other expense in 2013 is primarily due to the issuance of additional preferred stock warrants in 2013 resulting in an expense of $3.6 million and an increase in the fair value of our convertible preferred stock warrants of $8.9 million.

Liquidity and Capital Resources

Due to our significant research and development expenditures, we have generated significant operating losses since our inception. We have funded our operations primarily through the issuance of debt, sales of our convertible preferred stock and payments received under our collaboration and license agreements. As of June 30, 2014, we had cash and cash equivalents of $108.9 million.

In May 2014, we completed our Series C convertible preferred stock financing which resulted in aggregate net cash proceeds of $54.7 million. In addition, our outstanding convertible notes and accrued interest of $10.6 million were contemporaneously converted into shares of our Series C convertible preferred stock.

In July 2014, we received additional funds of $15.0 million from Baxter and expect to receive $10.0 million in September 2014. Of the amount received, $2.5 million is subject to the potential refund to Baxter in the event that we commercialize the etanercept (Enbrel) biosimilar molecule in the United States.

Summary Statement of Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2012	2013	2013	2014
			(unaudited)	
	(in thousands)			
Net cash provided by (used in) operating activities	$(18,251)	$15,423	$(11,089)	$14,528
Net cash provided by (used in) investing activities	(1,823)	(373)	(172)	781
Net cash provided by financing activities	26,938	9,956	—	53,974
Effect of exchange rate changes in cash and cash equivalents	—	—	—	32
Net increase (decrease) in cash and cash equivalents	$ 6,864	$25,006	$(11,261)	$69,315

Cash provided by (used in) operating activities

Cash provided by operating activities was $14.5 million for the six months ended June 30, 2014 reflecting a net loss of $50.2 million, which was partially offset by non-cash charges of $14.7 million for the remeasurement of our convertible preferred stock warrant liability, $1.7 million for remeasurement of our contingent consideration obligations, $3.9 million of non-cash interest expense, $4.5 million for stock-based compensation and $0.2 million for depreciation and amortization, partially offset by the gain on the extinguishment of our 2013 convertible notes of $2.0 million. Cash provided by operating activities reflected an increase in net operating assets of $41.7 million primarily due to an increase in deferred revenue of $19.4 million and an increase in contingent liability to collaborator of $17.7 million both related to the additional payments received from Baxter under our license agreement. In addition, accounts payable and accounts payable-related parties increased by $4.2 million as a result of the increase in clinical activities and timing of vendor payments.

Cash used in operating activities was $11.1 million for the six months ended June 30, 2013 reflecting a net loss of $17.6 million, which was partially offset by non-cash charges of $7.4 million in preferred stock issued in exchange for services received, $0.7 million for stock-based compensation and $0.2 million for depreciation and amortization, partly offset by a non-cash gain of $1.2 million for the remeasurement of the convertible preferred stock warrant liability. Cash used in operating activities also reflected a decrease in net operating assets of $0.7 million due to a decrease in accounts payable and accounts payable-related parties of $1.9 million as a result of the timing of vendor payments and a decrease of $1.0 million due to the recognition of deferred revenue related to the Daiichi Sankyo license agreement partially offset by decrease of prepaid assets of $1.4 million in clinical, material and manufacturing as a result of increase research and development activity and an increase of advance payments under our license agreement with a related party of $0.6 million as a result of the timing of payments.

Cash provided by operating activities was $15.4 million for the year ended December 31, 2013 reflecting a net loss of $53.6 million, which was partially offset by non-cash charges of $7.6 million in preferred stock issued in exchange for services received, $7.8 million for the fair value of warrants and embedded derivatives issued in excess of debt proceeds, $5.3 million of non-cash interest expense, $2.0 million for stock-based compensation, $0.4 million for depreciation and amortization and a non-cash gain of $4.6 million for the remeasurement of our convertible preferred stock warrant liability and embedded derivatives. Cash provided by operating activities also reflected an increase in net operating assets of $41.4 million primarily due to an increase in deferred revenue of $34.7 million, an increase in contingent liability to collaborator of $7.5 million both related to the payments received from Baxter and an increase in accrued and other liabilities of $2.8 million related to an increase in the accrual for clinical development activities. These increases were partially offset by an increase in prepaid and other current assets of $3.2 million related to an increase in prepaid clinical, material and manufacturing costs.

Cash used in operating activities was $18.3 million for the year ended December 31, 2012 reflecting a net loss of $33.0 million, which was partially offset by non-cash charges of $8.0 million in preferred stock issued in exchange for services received, $1.5 million of non-cash interest expense, $0.4 million for stock-based compensation and $0.2 million for depreciation and amortization, partially offset by the gain on the extinguishment of our 2011 convertible notes of $6.4 million and a non-cash gain of $0.6 million for the

remeasurement of our convertible preferred stock warrant liability. Cash used in operating activities also reflected an increase in net operating assets of $11.6 million primarily due to an increase in deferred revenue of $8.1 million related to payments received from Daiichi Sankyo, an increase in accounts payable and accounts payable-related parties of $3.4 million as a result of the timing in vendor payments and $2.2 million in accrued and other liabilities related to increase in the accrual for clinical materials and manufacturing. These changes were partially offset by the increase in prepaid and other current assets of $2.0 million related to an increase in prepaid in clinical, materials and manufacturing costs.

Cash provided by (used in) investing activities

Cash provided by investing activities of $0.8 million for the six months ended June 30, 2014 was related to net cash acquired from the acquisition of InteKrin in February 2014 of $2.3 million, partially offset by cash used for purchases of capital equipment of $1.6 million.

Cash used in investing activities of $0.2 million for the six months ended June 30, 2013 was related to capital equipment purchases.

Cash used in investing activities of $1.8 million and $0.4 million for the years ended December 31, 2012 and 2013 was related to capital equipment purchases.

Cash provided by financing activities

Cash provided by financing activities of $54.0 million for the six months ended June 30, 2014 was primarily related to the net proceeds from the issuance of our Series C convertible preferred stock of $54.7 million, offset by our payment of costs related to our planned initial public offering of $0.8 million.

Cash provided by financing activities of $10.0 million for the year ended December 31, 2013 was primarily related to proceeds from the issuance of convertible notes.

Cash provided by financing activities of $26.9 million for the year ended December 31, 2012 was related to net proceeds from issuance of our Series B convertible preferred stock.

Funding Requirements

We believe that our existing capital resources, together with funding we expect to receive under our license agreements with Daiichi Sankyo and Baxter, will be sufficient to meet our projected operating requirements for the next 12 months. 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. Further, our operating plan may change, and we may need additional funds to meet operational needs and capital requirements for product development and commercialization sooner than planned. We currently have no credit facility or committed sources of capital although we may receive milestone and other contingent payments under our current license and collaboration agreements. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates and the extent to which we may enter into additional agreements with third parties to participate in their development and commercialization, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical trials. Our future funding requirements will depend on many factors, including the following:

- the scope, rate of progress, results and cost of our clinical trials, preclinical testing and other related activities;
- the cost of manufacturing clinical supplies and establishing commercial supplies of our product candidates and any products that we may develop;
- the costs of acquiring originator comparator materials and manufacturing pre-clinical study and clinical trial supplies and other materials from CMOs and related costs associated with release and stability testing;
- the receipt of any collaboration payments;

- the number and characteristics of product candidates that we pursue;
- the cost, timing and outcomes of regulatory approvals;
- the terms and timing of any other collaborative, licensing and other arrangements that we may establish;
- the timing, receipt and amount of sales, profit sharing or royalties, if any, from our potential products;
- the cost of preparing, filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights; and
- the extent to which we acquire or invest in businesses, products or technologies.

If we need to raise additional capital to fund our operations, funding may not be available to us on acceptable terms, or at all. If we are unable to obtain adequate financing when needed, we may have to delay, reduce the scope of or suspend one or more of our clinical trials, research and development programs or commercialization efforts. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing and distribution arrangements. To the extent that we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Contractual Obligations

Our future contractual obligations as of December 31, 2013 were as follows:

	Payments Due by Period				
Contractual Obligations:	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 Years
			(in thousands)		
Purchase commitments	$ 4,082	$ 4,082	$ —	$ —	$ —
Operating lease obligations	1,555	516	993	46	—
Notes[1]	9,950	9,950	—	—	—
Accrued interest on the notes	431	431	—	—	—
Total contractual obligations	$16,018	$14,979	$ 993	$ 46	$ —

(1) Consists of repayment obligations related to principal outstanding under our convertible notes as of December 31, 2013. The convertible notes bear interest of 8% per annum and are due and payable on July 15, 2014. The convertible notes also contain a provision under which all outstanding principal and accrued interest would automatically convert upon the issuance of preferred stock.

We enter into contracts in the normal course of business with contract research organizations, or CROs, for preclinical studies and clinical trials and contract manufacturing organizations, or CMOs, for the manufacture of clinical trial materials. As of December 31, 2013, we had commitments of $4.1 million with CMOs for the manufacture of clinical trial material due within a year. We also have an agreement with a CRO vendor which provides for a minimum fee commitment of $35.0 million for clinical trial services. As of December 31, 2013, $5.7 million of the services related to these agreements have been performed. To date, we have entered into

commitments with this CRO vendor providing for future payments of approximately $51.0 million. As of June 30, 2014, we have expensed approximately $14.5 million of this amount for our clinical development program. These agreements provide for notice of termination by either party and are therefore cancelable contracts.

JOBS Act Accounting Election

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09, which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. This guidance is effective for the fiscal years and interim reporting periods beginning after December 15, 2016, at which time we may adopt the new standard under the full retrospective method or the modified retrospective method. Early adoption is not permitted. We are currently evaluating the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements and related disclosures.

In June 2014, the FASB issued ASU 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation.* ASU 2014-10 simplifies the accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments related to the elimination of the inception-to-date information and other disclosure requirement of Topic 915 should be applied retrospectively and are effective for annual reporting periods beginning after December 15, 2014 and interim periods therein. We early adopted ASU 2014-10 effective as of January 1, 2012. Adoption of this standard had no impact on our financial position, results of operations or cash flows; however, the presentation of the financial statements has been changed to eliminate the disclosures that are no longer required.

Quantitative and Qualitative Disclosures about Market Risk

As of June 30, 2014, we had cash and cash equivalents of $108.9 million. A portion of our cash equivalents, which are in money market funds, may be subject to interest rate risk and could fall in value if market interest rates increase. However, because our cash equivalents are primarily short-term in duration, we believe that our exposure to interest rate risk is not significant and a 1% movement in market interest rates would not have a significant impact on the total value of our portfolio.

We are exposed to market risk related to changes in foreign exchange rates. We contract with CROs and contract manufacturers globally and thus we face foreign exchange risk as a result of entering into transactions denominated in currencies other than U.S. dollars. Due to the uncertain timing of expected payments in foreign currencies, we do not utilize any forward exchange contracts. All foreign transactions settle on the applicable spot exchange basis at the time such payments are made. An adverse movement in foreign exchange rates could have a material effect on payments made to foreign suppliers and for license agreements. A hypothetical 10% change in foreign exchange rates during any of the periods presented would not have had a material impact on our financial statements.

We acquired InteKrin in February 2014, which has a subsidiary based in Russia and thus subjects us to foreign currency rates fluctuation against the Russian Ruble. As of June 30, 2014, we had $0.5 million of cash that is located in Russia and denominated in Rubles (15.5 million Rubles as of June 30, 2014).

BUSINESS

Overview

We are a late-stage clinical biologics platform company focused on the global biosimilar market. Biosimilars are an emerging class of protein-based therapeutics with high similarity to approved originator products on the basis of various physicochemical and structural properties, as well as in terms of safety, purity and potency. Our goal is to become a global leader in the biosimilar market by leveraging our team's collective expertise in key areas such as process science, analytical characterization, protein production and clinical-regulatory development. Since our founding in 2010, we have advanced one product candidate into Phase 3 clinical development, two others into or through Phase 1 clinical development and entered into partnerships with two global pharmaceutical companies.

Our clinical-stage pipeline consists of two anti-inflammatory agents targeting tumor necrosis factor, or TNF, and a long-acting form of granulocyte colony-stimulating factor, or G-CSF. TNF is a substance in the body that is involved in the inflammatory response. G-CSF is a beneficial substance in the body that stimulates production of granulocytes (a type of white blood cell) in order to promote the body's ability to fight infections. Our most clinically advanced anti-TNF product candidate, CHS-0214, is an etanercept (Enbrel) biosimilar candidate that we have partnered with Baxter International, Inc., Baxter Healthcare Corporation and Baxter Healthcare SA, or together, Baxter, and Daiichi Sankyo Company, Limited, or Daiichi Sankyo, in key markets outside of the United States. We are currently enrolling two Phase 3 clinical trials with CHS-0214 in rheumatoid arthritis and psoriasis which, if positive, should support the planned filing of a marketing application in Europe in 2016. Our second anti-TNF product candidate, CHS-1420, is an adalimumab (Humira) biosimilar candidate, and completed Phase 1 studies in August 2014. We plan to initiate a Phase 3 clinical trial or trials in psoriasis or rheumatoid arthritis during the first half of 2015 to support the planned filing of a marketing application in the United States in 2016 and the European Union, or E.U., in 2017. Our long-acting G-CSF product candidate, CHS-1701, is a pegfilgrastim (Neulasta) biosimilar that we expect will begin Phase 3 clinical trials in febrile neutropenia (a condition characterized by fever and infections) in the first half of 2015.

According to Evaluate Pharma, total annual revenues from the anti-tumor necrosis factor alpha, or anti-TNF-a, and pegfilgrastim-based originator products will exceed approximately $21 billion in the sales territories targeted by our current clinical-stage pipeline. We have retained full commercial rights to all of our product candidates in the United States and plan to seek strategic partnerships in territories outside of the United States to support the global development and commercialization of our product candidates. We intend to pursue a brand strategy for our biosimilar products that projects high similarity to the originator and positive differentiation to competing biosimilars, at a competitive price.

The global market opportunity for biosimilars is emerging as a result of several factors. First, through 2020, 24 "blockbuster" biologics, each with worldwide annual sales in excess of $1 billion, will lose patent exclusivity in at least one major pharmaceutical market. In aggregate, these products achieved more than $89 billion in worldwide sales in 2013. Second, regulatory agencies around the world have responded to these upcoming patent expirations by defining new biosimilar approval pathways. We believe these regulatory initiatives will help streamline the approval process across various international regulatory agencies and encourage growth of the overall biosimilar market. Third, implementation of more stringent cost containment practices on the part of governments and insurers has increased demand for high-quality biosimilars, which we believe will result in substantial market growth over time. We believe the growing number of global biopharmaceutical companies establishing biosimilars capabilities provides further validation for the size and importance of this opportunity.

While the potential market opportunity is significant, biosimilar product development poses a number of scientific, regulatory and technical challenges that distinguish it from traditional, small-molecule generic product development. We believe our world class team of biologic therapeutic developers and renowned scientists gives us the critical capabilities to successfully address the complexities underlying these challenges. Our team includes industry veterans with decades of experience in pioneering biologics companies, such as Amgen and Genentech, where they were responsible for leading, and in some cases establishing, these organizations' core

capabilities in process development, protein manufacturing and analytical research and development. Senior members of our internal team have contributed to the filing of over 100 Investigational New Drug applications, or INDs, and over 40 marketing applications, including those for Enbrel, the originator product for our lead biosimilar product candidate. We have also assembled a distinguished Scientific Advisory Board of leading scientists who are acknowledged experts in their respective fields.

Our business model places our internal team at the center of a coordinated development effort in which our senior team of experts focuses on the highly-specialized, strategic and technical aspects of biosimilar development that are core to our business and difficult to replicate. For other aspects of our operations that require greater scale or more capital-intensive investments, we have established a network of highly-competent external organizations and strategic partnerships that we believe will provide the competitive scale required to address the global biosimilar market opportunity. Many such collaborators are also our equity holders, which we believe results in a strategically aligned consortium designed to select, evaluate and develop biosimilar product candidates in an efficient, cost-effective manner. We believe these elements of our business model have helped us maintain a relatively modest cost structure while providing important fundamental advantages over larger companies. In addition, our dynamic organization allows us to respond to the rapidly evolving biosimilar landscape.

Our Strategy

Our goal is to become a leading global biosimilar company. The five key elements of our strategy are to:

- ***Leverage our platform and internal expertise in process science, molecular biology and protein production, as well as our clinical, regulatory and commercial strategies, to screen and select biosimilar candidates.*** Our team possesses a deep understanding of the technical advancements that enable the development of biosimilars. We believe we are able to effectively select product candidates using a stringent process that factors in technical feasibility, size of originator products opportunity and market receptivity to biosimilars, as well as other criteria. With this comprehensive approach, we believe we are able to move quickly and in a capital efficient manner to advance product candidates into clinical trials with strong potential to be partnered and commercialized.
- ***Advance our lead programs through clinical development to secure approvals in major markets.*** We have developed a clinical-stage pipeline consisting of three product candidates. We recently initiated our first Phase 3 clinical trials, advancing CHS-0214 in rheumatoid arthritis and psoriasis, to support the planned filing of a marketing application in Europe in 2016. We expect to initiate Phase 3 clinical trials of CHS-1420 in psoriasis or rheumatoid arthritis in the first half of 2015, to support the planned filing of a marketing application in the United States in 2016 and the E.U. in 2017. We intend to initiate two Phase 3 clinical trials of CHS-1701 in breast cancer patients undergoing chemotherapy in the first half of 2015. We attempt to harmonize our clinical trials across multiple regulatory geographies, including United States, Europe and Japan, such that one set of clinical trials may be sufficient to meet the regulatory requirements for approval in all territories.
- ***Continue to advance our early-stage product pipeline.*** We will apply our team's expertise and our platform to identify and pursue multiple additional biosimilar product opportunities. In addition to our clinical-stage product portfolio, we have identified three potential product candidates that meet our stringent selection criteria, which have entered early development. Our goal is to advance at least one of these product candidates into clinical trials in 2016. We continue to evaluate other potential product development candidates to further expand our pipeline.
- ***Maximize the value of our portfolio and pipeline by retaining commercial rights to our products in the United States and by selectively partnering with leading pharmaceutical companies to commercialize our products in other geographies.*** We currently intend to retain U.S. rights to the assets we develop, while licensing ex-U.S. rights in exchange for upfront, cost sharing, milestone and royalty payments. For example, we have partnered CHS-0214 with Baxter and Daiichi Sankyo in key

markets outside of the United States and we intend to seek a partner for CHS-1420 for non-U.S. territories in 2015. Such arrangements are intended to support the Phase 3 clinical trials required for regulatory approval of our product candidates and provide us with financial resources and commercial access to ex-U.S. markets.

- ***Attract and retain exceptionally capable team members who share our vision of bringing high quality, lower cost biologic therapeutics to patients.*** We value the experience that has been gained by our veteran team members over the course of decades in the biotechnology industry as essential for execution at all stages of biosimilar product development. Our level of technical expertise is also rare, difficult for others to replicate and a basis for screening those who would join our team. We intend to maintain the capabilities that will enable us to realize our vision of expanding patient access to high quality, lower cost biologic therapeutics globally.

Background on Biosimilars

Significant Market Opportunity

According to the IMS Institute for Healthcare Informatics, the 2012 global biologics market represented over $160 billion in sales, with virtually the entire market composed of branded originator products. The next six years will see a surge in patent expirations for many commercially successful branded biologic products that will provide an unprecedented opportunity for cost containment through the introduction of biosimilars. For 24 major branded biologic products facing loss of patent exclusivity in at least one major market from 2015 through 2020, aggregate global sales in 2013 exceeded $89 billion. We believe this wave of patent expirations will create one of the most significant opportunities for the biotechnology industry in the coming years. The following originator products (all of which are “blockbuster” biologics) are expected to lose patent exclusivity in at least one major market from 2015 through 2020:

Actemra	Forteo	Neulasta	Rebif
Advate	Herceptin	Norditropin SimpleXx	Remicade
Avastin	Humira	NovoMix 30	Rituxin
Botox	Lantus	Orencia	Synagis
Enbrel	Levemir	Pediarix	Tysabri
Erbitux	Lucentis	Pegasys	Xolair

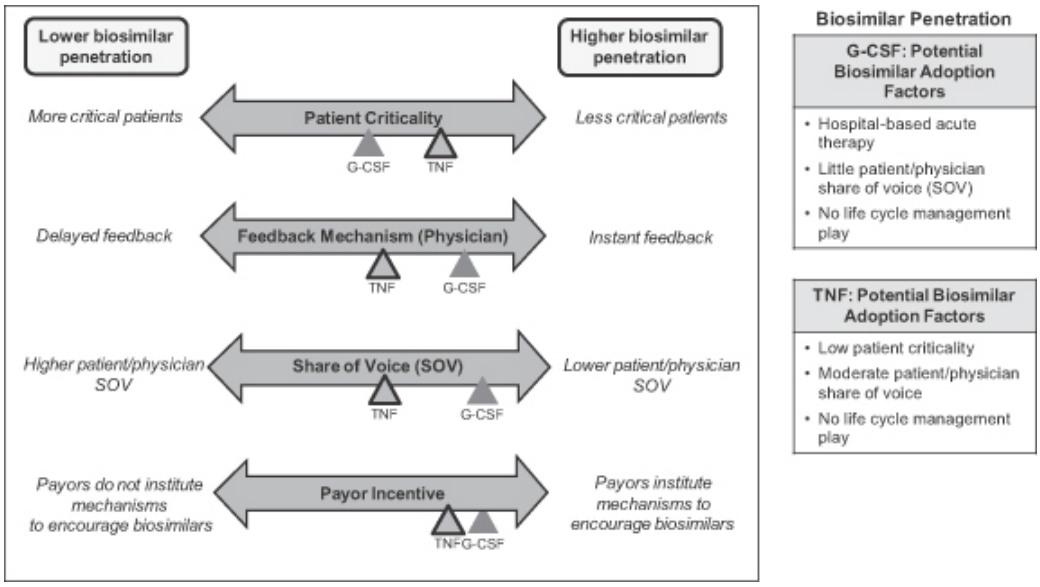
Escalating healthcare costs and healthcare reform have been major drivers for the advancement of the biosimilar market. Governments and insurers are in search of mechanisms to contain costs and expand patient access without sacrificing quality of care. An increasing and disproportionate amount of healthcare spending by governments and private payors is on biologic therapeutics. According to data from Express Scripts, approximately $4 out of every $10 spent on prescription drugs in 2014 in the United States is projected to be spent on specialty medications, mostly complex biologics, that are only used by 2% of the population. Compounding the issue is the fact that biologic therapeutic costs are escalating at an increasingly unsustainable rate. Express Scripts also reported that the unit-cost increase for specialty biologic therapeutics in 2012 was as high as about 27%, depending on payor segment. Consequently, we believe there is tremendous cost pressure to bring high-quality, lower-priced biologic therapeutics to market. We further believe our products target payor segments having among the highest rates of spending and anticipated spending growth (see chart below).

Top Drug Spending Classes

Class	Per Member Per Year Spend	2013 Trend			Projected Trend		
		Utilization	Unit Cost	Total	2014	2015	2016
Diabetes	$84	2.4%	11.6%	14.0%	11%	12%	11%
Inflammatory	$63	6.8%	15.0%	21.8%	23%	22%	21%
High Cholesterol	$52	-2.1%	-12.3%	-14.4%	-12%	-12%	-14%
Multiple Sclerosis	$46	1.0%	14.7%	15.7%	13%	12%	12%
High BP / Heart Disease	$40	0.4%	-9.1%	-8.7%	-12%	-11%	-11%
Cancer	$36	10.5%	13.6%	24.1%	24%	25%	24%
Ulcers	$36	0.9%	-4.1%	-3.2%	-15%	-7%	-6%
Asthma	$35	1.0%	-15.1%	-14.1%	-5%	-0%	1%
Attention Disorders	$33	5.3%	-1.3%	4.0%	7%	5%	5%
Depression	$32	1.5%	-10.5%	-9.1%	-15%	-12%	-12%

Source: Express Scripts (2013 Drug Trend Report)

We expect the biosimilar marketplace to have several distinct characteristics as it develops. First, it is likely to become a branded market without significant participation by generic small molecule manufacturers, who are less likely to have the technical, regulatory and clinical expertise required to succeed in this market. Second, the biosimilar markets we expect to target are unlikely to default to interchangeability in the near to medium term, which means the prescription decision will not exclusively reside in the hands of pharmacists or payors but also in the hands of physicians, requiring commercialization efforts to drive sales. We believe that the biosimilar market adoption and penetration rates for each biosimilar will primarily be determined by four key factors: (1) patient criticality (the degree of severity in the patient's condition), (2) rapidity of feedback on the safety and efficacy of the drug based on the patient response, (3) the physician and patient share influence relative to the payor in the prescribing decision and (4) the prevalence of payor incentives to drive substitution. As depicted in the chart below, we believe there will be strong market adoption and penetration for anti-TNF and G-CSF biosimilars particularly due to low patient criticality and payor incentives. We believe that the expected participation of major pharmaceutical firms in the biosimilar markets that we are targeting indicates that there will be a relatively small number of biosimilar competitors, pricing stability and favorable market dynamics.



The Challenge of Biosimilar Product Development

Proteins consist of one or more long chains of amino acid residues and perform a vast array of functions within living organisms, including catalyzing metabolic reactions, replicating DNA, responding to stimuli and transporting molecules from one location to another. Such protein molecules differ from one another primarily in their sequence of amino acids, which results in folding of the protein into a specific three-dimensional structure that determines its activity.

Although the sequence of amino acids in a protein is consistently replicated, there are a number of changes that can occur following synthesis that create inherent variability. Chief among these is the glycosylation, or the attachment of sugars at certain amino acids. Most protein-based therapeutics, including all monoclonal antibodies, are glycosylated to some degree. Monoclonal antibodies are identical antibodies that have an affinity for the same antigen and are produced by a specific clone or cell line. The glycosylation of monoclonal antibodies and other protein-based therapeutics can be critical to half-life, efficacy and even safety of the therapeutic and is therefore a key consideration for biosimilarity. Defining and understanding the variability of an originator molecule in order to match its glycosylation profile requires significant skill in cell biology, protein purification and analytical protein chemistry. Furthermore, manufacturing proteins with reliable and consistent glycosylation profiles at scale is challenging and highly dependent on the skill of the cell biologist and process scientist.

Protein-based therapeutics are inherently heterogeneous and their structure is highly dependent on the production process and conditions. Products from one production facility can differ within an acceptable range from those produced in another facility. Similarly, physicochemical differences can also exist among different lots produced within a single facility. The physicochemical complexity and size of biologic therapeutics creates significant technical and scientific challenges in the context of their replication as biosimilar products. This is further exacerbated by the fact that some originator product's quality characteristics, such as glycosylation, have been shown to change or "drift" over time.

Accordingly, inherent variation is a fundamental consideration with respect to establishing biosimilarity to an originator product to support regulatory approval requirements. Since the product quality characteristics of originator molecules exist as a range of values rather than as an absolute, regulators have issued guidelines that

require demonstration of biological similarity and functional equivalence. In contrast, small molecules are homogeneous and therefore relatively simple to replicate, obtain regulatory approval for and commercialize as generics. This simplicity of small molecules allows multiple market entrants and rapid price erosion upon loss of exclusivity. Thus, we believe the ultimate result of protein heterogeneity and complexity is a biosimilar market where only organizations with great technical skill can compete successfully and will do so in a market of relatively few participants and relatively stable prices.

Our Approach

Our Platform

The essential elements of our platform that distinguish our development approach include:

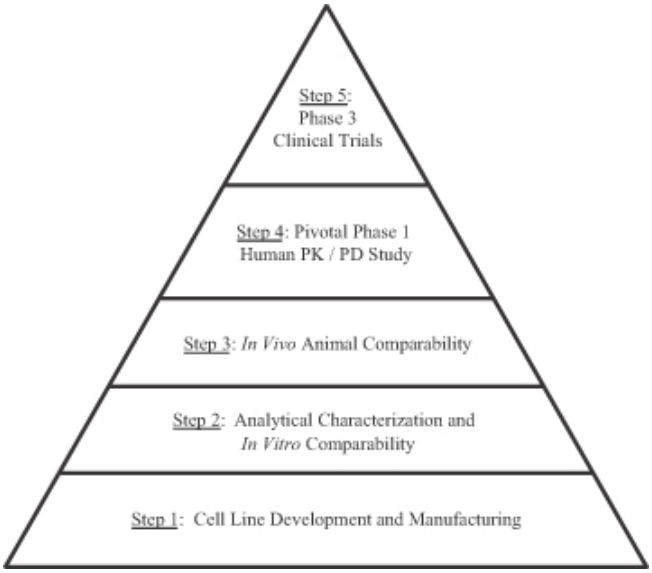
- ***Advanced proprietary analytics.*** Regulators require extensive and sophisticated analytics to demonstrate comparability with the originator molecule. Analytical techniques, such as mass spectrometry, which enable the measurement of the structure and elemental composition of individual molecules, are an essential tool in this process, and we have invested a substantial part of our capital budget in this area.
- ***Molecular tuning to achieve biosimilarity.*** After a protein is produced in a cell, a number of modifications to the protein can occur. These modifications can vary greatly depending on the type of cell that was selected to produce the protein and the process conditions used to generate the protein in the cell, as well as metabolic mechanisms and other considerations. One such modification, glycosylation, results when the cell that produces the protein adds sugar molecules, called glycans, to the backbone of the protein. For a highly glycosylated molecule such as etanercept (Enbrel), accurately reproducing the glycosylation pattern of the originator protein is particularly critical as glycoform distribution profiles substantially impact pharmacokinetics and biologic activity. With CHS-0214, we were able to complete the molecular tuning in an extremely short period of time by conducting a number of critical steps in a parallel fashion, making adjustments to cell growth conditions and process conditions while conducting *in vivo* and *in vitro* testing simultaneously. The same parallel process has been applied to our other biosimilar product candidates. While the range of acceptability for pharmacokinetic equivalence is 80% to 125% with the target being at 100%, for CHS-0214, we achieved a geometric ratio of 98% indicating pharmacokinetic equivalence in the Phase 1 study and earned a milestone payment under our partnership agreement with Baxter. As used herein, the term “geometric ratio” denotes the comparison of a measured pharmacokinetic value observed for a first drug, to the same measured value observed for a different drug, where the geometric mean of each drug’s measured values is used as the basis for the comparison. The geometric mean is a type of mathematical average, which indicates the central tendency or typical value of a set of numbers. The use of a geometric mean “normalizes” the ranges being averaged, so that no range dominates the weighting, and a given percentage change in any numerical range has the same effect on the geometric mean. The geometric means ratio, or GMR, which is the ratio of a first geometric mean to a second geometric mean for a measured pharmacokinetic parameter, such as maximum concentration, or Cmax, is commonly used to determine bioequivalence between drugs, such that a GMR value of 1 (or 100%) signifies that the two compared pharmacokinetic values are the same.
- ***Process science.*** Originators are required by regulators to manufacture under the same decades-old protocols in existence when their biologic therapeutics were first approved unless they invest in costly process change protocols and file appropriate amendments. In contrast, we are not constrained to replicate outdated processes and are free to design and develop systems that integrate state-of-the-art growth media, chromatography resins, filters and techniques to produce our products. We have demonstrated that our cutting-edge protein production processes are highly scalable, extremely robust and easily automated, resulting in consistent product quality, biosimilarity and yield.
- ***Formulation technologies.*** The stabilization of proteins in solution (the protein’s ability to maintain its three dimensional structure and biological activity) is an essential part of obtaining a commercially viable therapeutic. Originator companies have pursued a strategy of establishing intellectual property around

specific formulations, potentially extending patent coverage on the products. We believe that our investment in proprietary formulation technology will allow us to innovate around certain patent protected formulations, thereby enabling earlier market entry than otherwise would be possible. For example, the originator formulations for Humira and Enbrel are subject to unexpired patents that specify use of various formulation ingredients for stabilizing the therapeutic protein. We have developed proprietary formulations for our Enbrel and Humira biosimilar products which do not require these ingredients.

- ***Global regulatory strategy and clinical development.*** The global biosimilar regulatory environment is rapidly evolving and differs significantly from that of innovator products. We and our global partners have met with competent authorities in the United States, the E.U. and Japan and have gained deep insight into regulatory rationale and the nuanced approach required to successfully navigate global requirements. To date, meetings with regulators have been held as follows:
  - *CHS-0214:* We met with regulators in the United States and Japan in 2013 and in the E.U. in 2014. The subject of these meetings was our overall development plan and the amount of evidence needed to support marketing approval in each of these regions.
  - *CHS-1420:* We met with E.U. regulators on September 10, 2014 to discuss our development plan and the amount of evidence needed to support our application to obtain approval for all of the indications in the originator label. We are planning to hold meetings with U.S. regulators by the first quarter of 2015.
  - *CHS-1701:* We met with U.S. regulators in 2012 and 2014 to discuss our overall development plan. Based on feedback from these meetings, we are planning further meetings with U.S. and E.U. regulators by the first quarter of 2015.

Five Key Steps to Biosimilar Drug Development

We apply our platform to five key steps of biosimilar development that are designed to provide the analytical, nonclinical and clinical basis to establish biosimilarity and support regulatory approvals of our product candidates. Regulators may approve a product label inclusive of all or a subset of the indications of the originator therapeutic based on the totality of the data. We have had meetings with regulators in the major regulated markets to discuss our three most advanced product candidates and the data required to support approval. The outcome of these discussions has informed our clinical designs, product development and regulatory strategies.



Step 1: Cell Line Development and Manufacturing

The amino acid sequence of the candidate biosimilar molecule must precisely match that of the originator. We have found that publicly available data can be unreliable in some instances. Therefore, we validate the amino acid sequence of all candidate biosimilar products prior to developing clones. While all clones are expected to produce proteins with the same primary sequence, it is essential to select clones which produce protein that most closely matches the glycosylation profile of the originator, since such product quality characteristics impact pharmacokinetics, or PK, and pharmacodynamics, or PD, properties as well as safety and efficacy of the molecule. A process to manufacture the desired product must be developed, scaled-up and implemented in a Good Manufacturing Practice, or GMP, facility in order to be used in human clinical trials.

Step 2: Analytical Characterization and In Vitro Comparability

Once a biosimilar product candidate has been manufactured, we use sophisticated analytical methods and equipment as well as highly trained analysts in order to detect, analyze and interpret the chemical and structural similarity between our biosimilar candidate and the originator product. We test for comparability of biologic activity using a battery of sensitive *in vitro* pharmacology assays that demonstrate binding characteristics, functionality and mechanism of action. These data may be predictive of clinically relevant differences in PK, PD, efficacy, safety and immunogenicity between our biosimilar candidate and the originator product.

Step 3: In Vivo Animal Comparability

Following demonstration of *in vitro* biosimilarity, we compare our biosimilar product candidate to the originator product in relevant animal models using the intended dosage form and route of administration prior to performing human clinical trials. As PK, PD and safety observations from these studies may be predictive of the human clinical trial experience, it is important to perform these studies in animals before proceeding to human clinical trials. Generally speaking, two studies are required in relevant animal models to provide sufficient nonclinical rationale to advance to a pivotal Phase 1 study.

Step 4: Pivotal Phase 1 Human Pharmacokinetic and Pharmacodynamic Study

An essential global regulatory requirement is the completion of a clinical study in a sufficient number of human subjects directly comparing the originator product and our biosimilar product candidate to establish PK / PD similarity. The U.S. and European regulatory agencies have established requirements for bioequivalence with respect to three prospectively defined parameters as follows:

- C_{max}: maximum measured serum concentration;
- AUC_{0gt}: area under the concentration-time curve from the first time point measured (0) to the last time point measured (t); and
- AUC_{0ginf}: area under the concentration-time curve from the first time point measured (0) extrapolated to infinity.

The area under the curve, or the AUC, is a measure of how much of a drug is in a patient's system over a given time period. In order to calculate the AUC, the concentration of the drug in blood serum or plasma is plotted over time starting at the time the drug is administered and ending when the last time point is collected (AUC_{0gt}) or when the serum or plasma concentration would be below the level of detection or zero (AUC_{0ginf}), and then the area under this curve is calculated. To be deemed bioequivalent, regulators require that, for each parameter, the ratio of the originator product and the biosimilar candidate fall within 80% and 125%, with the identical match being at 100%.

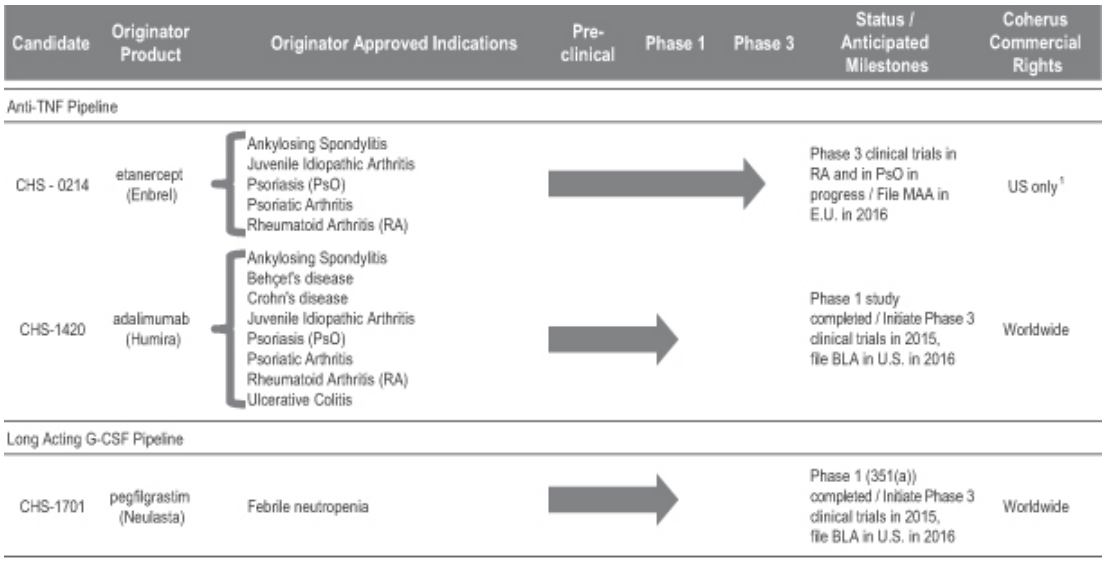
Step 5: Phase 3 Confirmatory Safety and Efficacy Clinical Trials

The final step to support approval is a single Phase 3 confirmatory safety and efficacy study in a therapeutic indication for which the originator product has been approved. The objective of this study is to demonstrate

biosimilarity between the two molecules with respect to safety and efficacy. Subject to discussions with regulators and agreement on trial endpoints, we strive to demonstrate that our biosimilar products are as effective and safe as the originators. Trial endpoints include considerations such as the number of subjects, statistical significance, confidence intervals and accumulated safety database size.

Development Portfolio

The following chart summarizes key information regarding our current product candidate pipeline:



[1] The therapeutic protein in etanercept is subject to certain originator-controlled United States patents expiring in 2028 and 2029. Assuming these patents are valid and enforceable, and that we would be unable to obtain a license to them, we do not expect to commercialize CHS-0214 in the United States prior to their expiration.

Anti-TNF Pipeline Opportunity

Tumor necrosis factor, or TNF, belongs to a family of soluble protein mediators, or cytokines, that play an important role in disease progression across a number of inflammatory and chronic conditions, including rheumatoid arthritis, psoriatic arthritis, ankylosing spondylitis, Crohn's Disease, psoriasis and ulcerative colitis. Cytokines, such as TNF, are substances produced by cells in the body that can cause a biological effect on other cells in the body. TNF is generally understood as the "master regulator" of the body's immune response and is the key initiator of immune-mediated inflammation in multiple organ systems. Several biologic agents have been developed that inhibit the inflammatory activity of TNF in the context of these diseases, which are collectively referred to as the anti-TNF class of therapeutics. Anti-TNF products with significant global sales include adalimumab (Humira), etanercept (Enbrel), infliximab (Remicade), golimumab (Simponi) and certolizumab pegol injection (Cimzia). These products share a common mechanism of action in that they inhibit TNF, but differ in their dosing schedules as well as the indications for which they are approved. Collectively, these treatments represent a significant revenue opportunity, with projected global sales in excess of $37 billion in 2017.

Our anti-TNF biosimilar product candidates, CHS-0214 and CHS-1420, are based on Enbrel and Humira, respectively. We selected these originator products as biosimilar development targets for the following principal reasons:

- *Large market opportunity.* Global sales of Enbrel and Humira are projected to exceed $24 billion in 2017, representing over 60% of combined estimated global sales in the anti-TNF monoclonal antibody and TNF inhibitor markets in 2017. Approximately $19 billion of this estimated market is in territories

in which we or our partners currently intend to commercialize our anti-TNF products. In addition, among the top ten selling drugs in its pharmacological class, Humira is also approved for the largest number of inflammatory indications worldwide.

- *Receptivity to biosimilars.* Because anti-TNF agents are typically used to treat diseases where there is low risk of imminent mortality, we believe physicians and payors will be inclined to support adoption of biosimilar anti-TNF agents that allow for rapid confirmation of safety and efficacy for the individual patient. We believe that physicians recognize the payor will be a key influencer in driving the adoption of biosimilar anti-TNF agents.
- *Technical barriers to entry.* There are numerous challenges in the development of biosimilars to these reference products related to quality characteristics such as glycosylation that we believe our specialized expertise in protein chemistry and process science will allow us to overcome.
- *Timing of patent expiration.* The expiration of certain originator patents pertaining to etanercept (Enbrel) and adalimumab (Humira) in major markets offers us a near-term opportunity to introduce biosimilar competitors in these markets. Specifically, we believe we would not be precluded by the originator's patents from introducing an etanercept (Enbrel) biosimilar candidate in Europe after August 2015 or in Japan after September 2015. In the case of adalimumab (Humira), we do not believe originator patents would preclude us from introducing a biosimilar in the United States after December 2016, in Europe after October 2018 and in Japan after August 2018 (for rheumatoid arthritis) or May 2020 (for psoriasis).

CHS-0214 (Our Etanercept (Enbrel) Biosimilar Candidate)

Product Overview

Etanercept (Enbrel), the reference product for CHS-0214, is a complex fusion protein that combines the protein for tumor necrosis factor receptor 2, or TNFR-2, to another protein (called IgG1 Fc) which enables the fusion protein to attach to cells in the body. The TNFR-2 portion of the fusion protein binds to soluble and cell bound tumor necrosis factors alpha and beta, or TNF-a and TNF-b, respectively, and inhibits TNF-a and TNF-b from binding to cell surface proteins that recognize them. Autoimmune diseases are caused by an overactive immune response. Etanercept (Enbrel) treats these diseases by inhibiting TNF-a, thus inhibiting the inflammatory cytokine cascade, which is a sequence of events in the body, caused by cytokines, leading to inflammation in a tissue or organ.

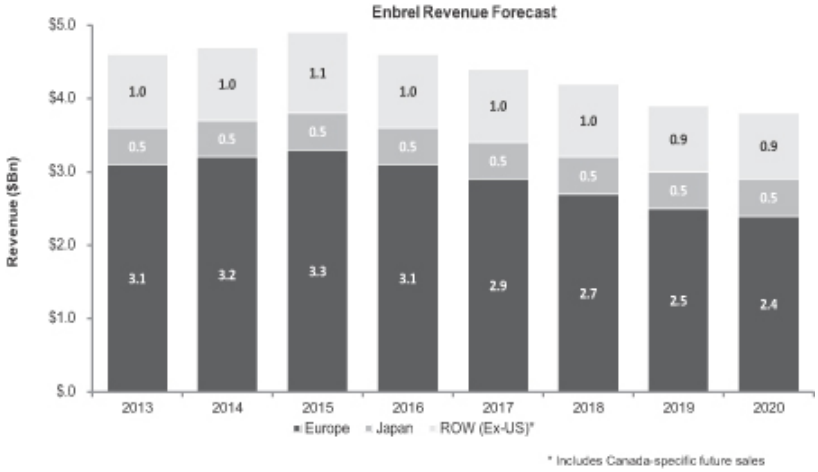
Enbrel has been approved by the European Medicines Agency, or EMA, and the U.S. Food and Drug Administration, or FDA, for the treatment of the following indications:

- rheumatoid arthritis;
- juvenile idiopathic arthritis;
- psoriatic arthritis;
- ankylosing spondylitis; and
- psoriasis.

Enbrel has been approved by the Japanese Pharmaceutical and Medical Devices Agency, or PMDA, for the treatment of the following indications only when conventional therapies are not sufficiently effective:

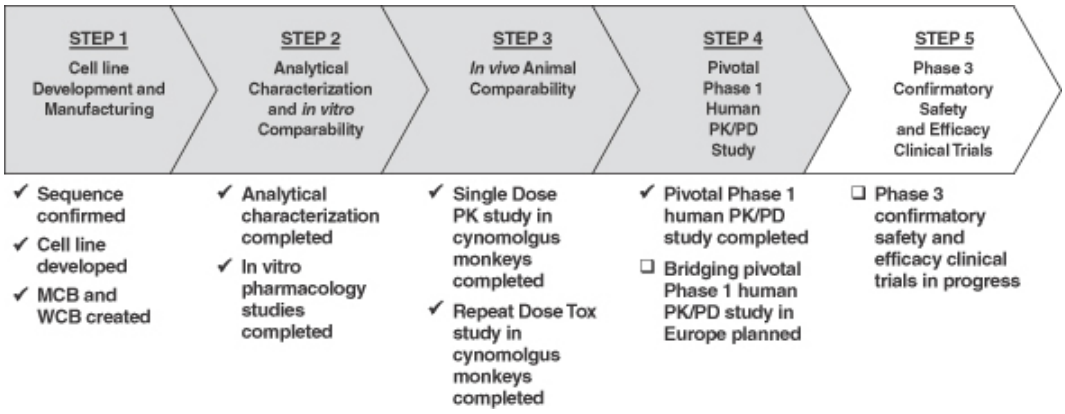
- rheumatoid arthritis; and
- juvenile idiopathic arthritis.

In 2017, sales of Enbrel are projected to exceed $9 billion worldwide and $2.8 billion in Europe. Because patents in the United States, assuming validity and enforceability, provide market exclusivity for the etanercept (Enbrel) originator molecule until 2029, we focused our CHS-0214 regulatory program on Europe and Japan, but harmonized as needed for potential FDA approval. We have licensed CHS-0214 to Daiichi Sankyo in Japan and to Baxter in territories outside of Japan, the United States and certain Caribbean and Latin American countries. We have licensed CHS-0214 to Orox for certain Caribbean and Latin American countries. According to Evaluate Pharma, in 2017 sales of Enbrel in Europe, Japan and other territories outside the United States are projected to be approximately $4.4 billion, as shown below.



Current Development Status and Data

The diagram below summarizes the current development status of CHS-0214. We have successfully advanced CHS-0214 through steps 1 through 4. Our pivotal Phase 1 human PK / PD study was conducted in the United States. We are currently evaluating CHS-0214 in two randomized Phase 3 clinical trials. One of these Phase 3 clinical trials will use subjects with rheumatoid arthritis in the following countries: United States, Argentina, Belarus, France, Germany, Hungary, Israel, Japan, Poland, Russia, South Africa and the United Kingdom. The other of these Phase 3 clinical trials will use subjects with psoriasis in the following countries: United States, Canada, Australia, Chile, Germany, Israel, Poland, Russia, South Africa and the United Kingdom. We have filed an IND application or equivalent request for approval in all of these countries where we are performing studies. We expect the European marketing application for CHS-0214 to be filed with the EMA in 2016. If approved, we believe we will be able to extrapolate the data from our trials in rheumatoid arthritis and psoriasis to gain approval for CHS-0214 in all the indications included in the label for Enbrel.



Step 1: Cell Line Development and Manufacturing

We have identified the amino acid sequence of CHS-0214 and confirmed that it is identical to the reference product, Enbrel. We established Master Cell Banks, or MCBs, and Working Cell Banks, or WCBs, and produced toxicology materials in the third quarter of 2012 and Phase 1 study materials at a U.S. contract manufacturing organization, or CMO. We then transferred the manufacturing process to a European CMO for Phase 3 clinical trial supply and subsequent commercialization.

Step 2: Analytical Characterization and In Vitro Comparability

We demonstrated CHS-0214 similarity to Enbrel with respect to key physicochemical properties that determine PK / PD, safety and efficacy using a broad spectrum of analytical methods. Through *in vitro* receptor binding studies, including Fc receptors, complement (C1q) and Fc-mediated functional activities (i.e. antibody-dependent cell-mediated cytotoxicity, or ADCC, and complement-dependent cytotoxicity, or CDC), we have shown CHS-0214 to have highly similar pharmacological activity to Enbrel. ADCC and CDC refer to biological mechanisms of immune system defense which facilitate the body's ability to use its immune system to target and destroy a given target cell. Comparing the effects of CHS-0214 and Enbrel on these mechanisms provides us a basis for determining how similar CHS-0214 is to Enbrel in terms of pharmacological activity.

Step 3: In Vivo Animal Comparability

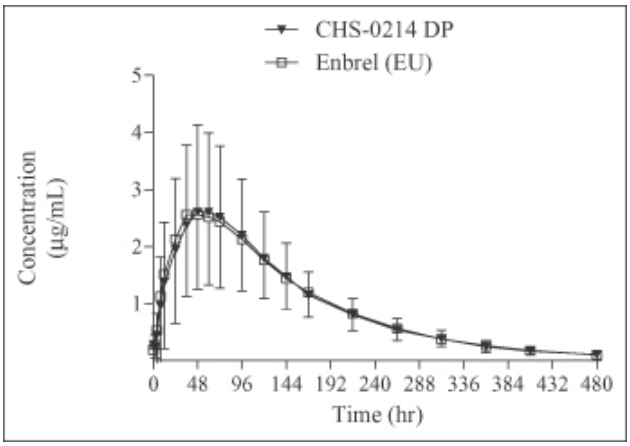
We compared CHS-0214 to Enbrel in a single-dose PK study and a 28-day study in evaluating toxicity and PK in cynomolgus monkeys and no appreciable differences were identified.

Step 4: Pivotal Phase 1 Human Pharmacokinetic and Pharmacodynamic Study

We announced the Phase 1 PK similarity trial results for CHS-0214 in October 2013. This study was a single dose cross-over study conducted in 60 healthy adult human volunteers to evaluate the PK and safety of CHS-0214 compared to Enbrel. CHS-0214 met the primary endpoint of clinical PK similarity to Enbrel with the study demonstrating a 98% correlation between CHS-0214 and Enbrel.

We also collected safety data in all subjects and both CHS-0214 and Enbrel were well tolerated. Treatment emergent adverse events were similar for each treatment and treatment period, and there were no unusual or unexpected or serious adverse events related to either product. There were no clinically meaningful differences in other safety parameters observed during this study.

Mean Serum Concentration Over Time for CHS-0214 and Enbrel



Due to the change in the manufacturing location from the United States to the E.U., we are planning an additional PK similarity trial comparing CHS-0214 to a lot of Enbrel manufactured in Europe. The design of this trial is a single-dose, cross-over study similar to the one described above. We plan to begin the new study in the second half of 2014.

Step 5: Phase 3 Confirmatory Safety and Efficacy Clinical Trials

We announced the dosing of the first patient in a Phase 3 rheumatoid arthritis clinical trial in June 2014, and subsequently initiated a separate Phase 3 clinical trial in psoriasis in July 2014. Our intent is to complete both Phase 3 clinical trials in parallel and file a Marketing Authorization Application, or MAA, for CHS-0214 with the EMA in 2016. The design of each Phase 3 clinical trial reflects guidance from regulatory agencies regarding key study parameters.

The Phase 3 clinical trial in rheumatoid arthritis is a double blind, multi-center, parallel group study in which approximately 486 patients with DMARD (disease-modifying antirheumatic drug)-refractory active rheumatoid arthritis will be put on a stable dose of methotrexate. Subjects will be randomized 1:1 to CHS-0214 50 mg or Enbrel 50 mg, administered subcutaneously weekly over a period of 24 weeks. The primary efficacy endpoint will be ACR 20 (20% improvement according to American College of Rheumatology Criteria) scores at 24 weeks, the same primary endpoint that was used in the Enbrel registration trial for rheumatoid arthritis. Following the initial 24-week double-blind period, all patients will be moved to CHS-0214 treatment for a period of 6 months.

The Phase 3 clinical trial in psoriasis is a double-blind, parallel group, multi-center study in 424 patients with active psoriasis. Patients will be randomized 1:1 to CHS-0214 or Enbrel, 50 mg administered subcutaneously twice weekly for the first 12 weeks, switching to once weekly and continuing in the same treatment arms for an additional 40 weeks, which includes four weeks of follow-up. The primary efficacy endpoint will be the mean Psoriasis Area and Severity Index, or PASI, or percentage of subjects achieving a 75% improvement in the PASI from baseline (PASI-75), scores at 12 weeks.

CHS-1420 (Our Adalimumab (Humira) Biosimilar Candidate)

Product Overview

Adalimumab (Humira), which is the reference, or originator, product for CHS-1420, is a monoclonal antibody that can bind to a substance in the body known as tumor necrosis factor, or TNF, thereby inhibiting the known effect of this substance as a potent mediator of inflammation. Humira thus provides a therapeutic benefit for treatment of various inflammatory diseases characterized by increased production of TNF in the body. However, it is also known that Humira can bind to receptors on white blood cells which may lessen the ability of the body's immune system to fight infections.

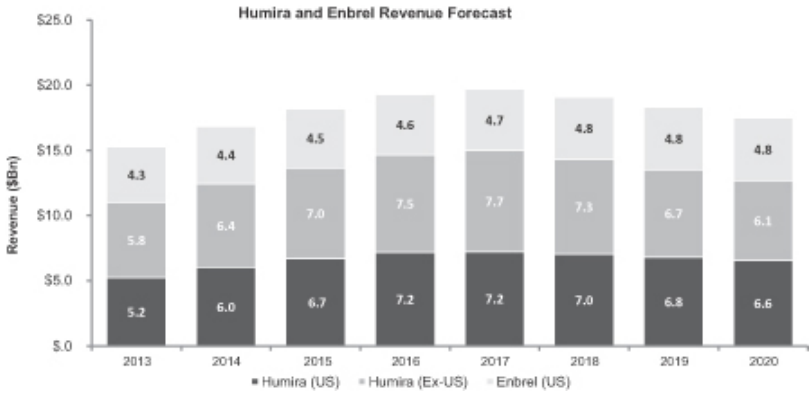
Humira has been approved by the EMA and the FDA for the treatment of the following indications only when conventional therapies are not sufficiently effective:

- rheumatoid arthritis;
- juvenile idiopathic arthritis;
- psoriatic arthritis;
- ankylosing spondylitis;
- Crohn's disease;
- ulcerative colitis; and
- psoriasis.

Humira has been approved by the PMDA for the treatment of the following indications only when conventional therapies are not sufficiently effective:

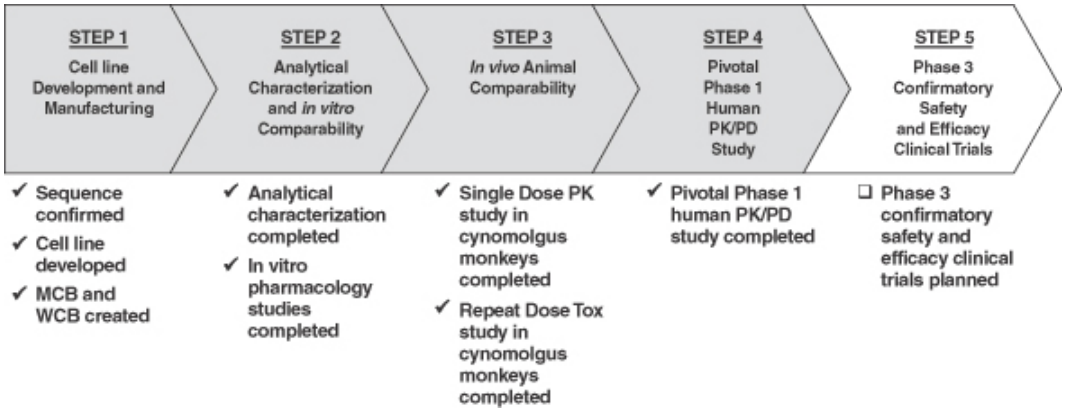
- rheumatoid arthritis;
- psoriatic arthritis;
- psoriasis; and
- Behçet's disease.

Worldwide sales of Humira are projected to total approximately $15 billion in 2017, with about $7.2 billion in the United States and $5.2 billion in Europe, the two primary regions in which we plan to focus our commercialization efforts. CHS-1420 will target a large global anti-TNF market, including but not limited to the worldwide market for the originator product, Humira. According to Evaluate Pharma, in 2017, sales of Humira worldwide and of Enbrel in the United States are projected at approximately $19.6 billion, as shown below.



Current Development Status and Data

The diagram below summarizes the current development status of CHS-1420. We have successfully advanced CHS-1420 through steps 1 through 4, and we have completed a Phase 1 PK / PD study comparing CHS-1420 to Humira in healthy volunteers. This Phase 1 PK study met the primary endpoint and demonstrated bioequivalence for all prospectively defined endpoints and was conducted under an IND application in the United States. We plan to initiate Phase 3 clinical trials in psoriasis or rheumatoid arthritis during the first half of 2015 to support the planned filing of a marketing application in the United States in 2016 and the E.U. in 2017. We are in the process of reaching concurrence with regulatory authorities in United States, Europe and Japan with the objective of designing a harmonized global Phase 3 program to support registration in these territories. If approved, we believe we will be able to extrapolate the data from our trials in rheumatoid arthritis and psoriasis to gain approval for CHS-1420 in all the indications included in the label for Humira.



Step 1: Cell Line Development and Manufacturing

As with all our molecules, we matched the amino acid sequence of CHS-1420 to the originator molecule (Humira) prior to development and demonstrated it to be identical. We established MCBs and WCBs and transferred the manufacturing process to a U.S. CMO for manufacturing of Phase 1 study and Phase 3 clinical trial supplies.

Step 2: Analytical Characterization and In Vitro Comparability

We accomplished characterization of CHS-1420 and Humira by a multi-dimensional analytical study, demonstrating a high degree of similarity between Humira and CHS-1420. Through extensive biochemical, biophysical and biological analysis we have shown that CHS-1420 has a structure and *in vitro* activity similar to that of Humira with respect to primary sequence (the linear sequence of the amino acids in the protein), protein folding (the structure of the protein in three dimensions which is critical to its biological function) and charge profiles (the overall electrical charge characteristic of the protein resulting from the electrical charges of its constituent amino acids), as well as the protein's glycosylation profile and potency.

We have also shown CHS-1420 to be highly similar to Humira through *in vitro* receptor binding studies, specifically the ability to inhibit TNF-a mediated cell death. In all of these studies we demonstrated CHS-1420 to have similar pharmacological activity to Humira by evaluating the binding of both CHS-1420 and Humira to Fc receptors, complement (C1q) and Fc-mediated functional activities: ADCC and CDC.

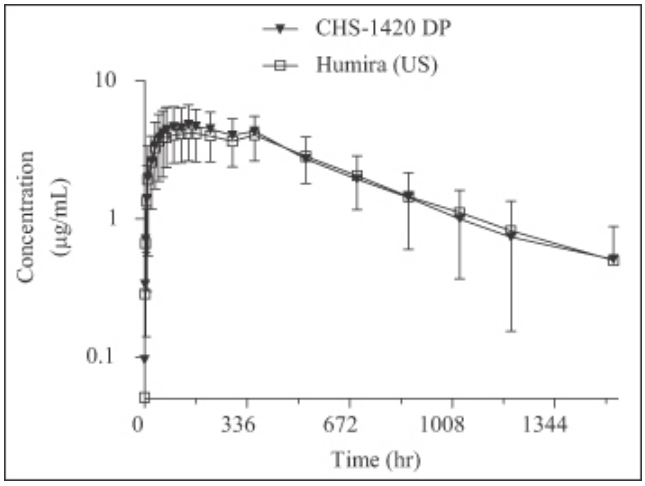
Step 3: In Vivo Animal Comparability

We conducted two nonclinical studies in monkeys in order to compare the PK and nonclinical safety profile of CHS-1420 to Humira. Following one month of repeat dosing, we determined the pharmacokinetics of CHS-1420 to be similar to that of Humira.

Step 4: Pivotal Phase 1 Human Pharmacokinetic and Pharmacodynamic Study

In April 2014, we initiated a Phase 1 pivotal PK study in human subjects. This is a single dose, double-blind parallel group study designed to demonstrate bioequivalence between CHS-1420 and Humira. A secondary objective was to assess the safety and tolerability of CHS-1420 in this population. The study has been successfully completed and met the primary endpoint and demonstrated bioequivalence with respect to the three prospectively defined PK endpoints. CHS-1420 and Humira were both well tolerated in this single-dose study in healthy adult volunteers.

Mean Serum Concentration Over Time for CHS-1420 and Humira



Step 5: Phase 3 Confirmatory Safety and Efficacy Clinical Trials

We plan to execute a multi-center, global, randomized, double-blind, active-controlled, Phase 3 clinical trial in psoriasis or rheumatoid arthritis. This study would be considered the primary confirmatory safety and efficacy study to support a registration filing. We plan to begin the new study in the first half of 2015.

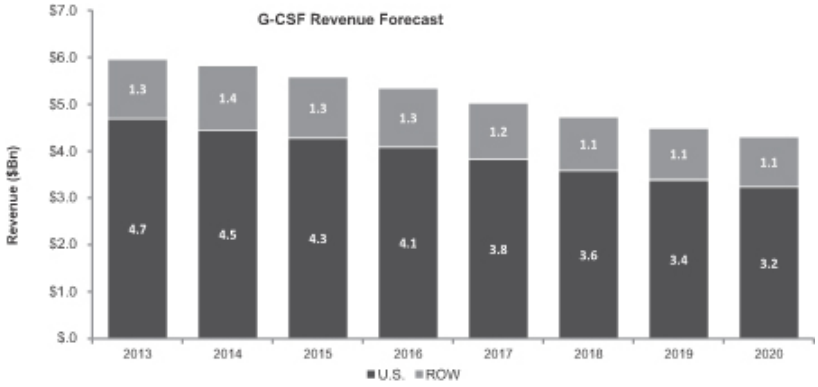
Long Acting G-CSF Pipeline Opportunity

Granulocyte colony-stimulating factor, or G-CSF, is a protein produced in different cell types of the body that promotes the survival, proliferation and differentiation of certain white blood cells called neutrophils. G-CSF regulates the production of neutrophils within the bone marrow by stimulating neutrophil progenitor proliferation and differentiation, as well as activating certain immune functions in the body. Recombinant G-CSF therapies, such as filgrastim (Neupogen) and pegfilgrastim (Neulasta), are commonly used in the prevention of chemotherapy-induced neutropenia, which is characterized by an abnormally low level of neutrophils and other white blood cells that aid in the defense against infections. Secondary infections arising from chemotherapy-induced neutropenia are the most common dose-limiting toxicity of cancer therapy. Febrile neutropenia, a more severe form of neutropenia associated with fever and other signs of infection, occurs in as many as 25 to 40% of patients receiving common first-line chemotherapy regimens. The occurrence of febrile neutropenia often necessitates chemotherapy delays or dose reductions and may also lengthen the duration of hospital stays, increase monitoring, diagnostic and treatment costs and reduce the patient's quality of life. In light of this, G-CSF therapies are routinely used prophylactically to prevent febrile neutropenia resulting from chemotherapy and radiation treatments for cancer.

The worldwide G-CSF market is composed of short-acting G-CSFs, such as filgrastim, lenograstim and TBO-filgrastim, and extended duration pegylated G-CSFs such as pegfilgrastim. The term "pegylation" refers to the attachment of a polymer (polyethylene glycol, or PEG) to the G-CSF protein in order to improve its half-life, or the length of time the drug remains in the body. We selected pegfilgrastim (Neulasta) as the biosimilar development target for our biosimilar G-CSF product candidate, CHS-1701, for the following reasons:

- *Large market opportunity.* The combined opportunity for both short- and long-acting G-CSF therapies worldwide is estimated to exceed $5 billion in 2017 (please see figure below), and pegfilgrastim therapies are expected to capture over 70% of worldwide market revenues in the G-CSF class. It is estimated that the worldwide opportunity for Neulasta, the reference product for CHS-1701, will exceed $3.9 billion in 2017.
- *Receptivity to biosimilars.* We believe there is strong conviction among payors to drive biosimilar adoption in the G-CSF category. This is supported by the uptake of filgrastim biosimilars in the EU5 (Spain, Great Britain, France, Germany and Italy), which were initially launched in 2008 and achieved approximately a 52% share of the short-acting G-CSF market and a 77% share of the filgrastim market by the third quarter of 2013. These percentage shares are based on sales of all short-acting G-CSF products in the E.U., which totaled approximately 1.4 million units in Q3 2013. This total was comprised of Neupogen, Granocyte and biosimilar filgrastim sales of 0.2 million units, 0.4 million units, and 0.7 million units, respectively.

- *Timing of patent expiration.* We believe that the expiration of certain originator patents pertaining to pegfilgrastim (Neulasta) in major markets offers us a near-term opportunity to introduce biosimilar competitors in these markets. Specifically, we believe we would not be precluded by the originator's patents from introducing a pegfilgrastim (Neulasta) biosimilar candidate in the United States after October 2015 and in Europe after February 2018.



CHS-1701 (Our Pegfilgrastim (Neulasta) Biosimilar Candidate)

Product Overview

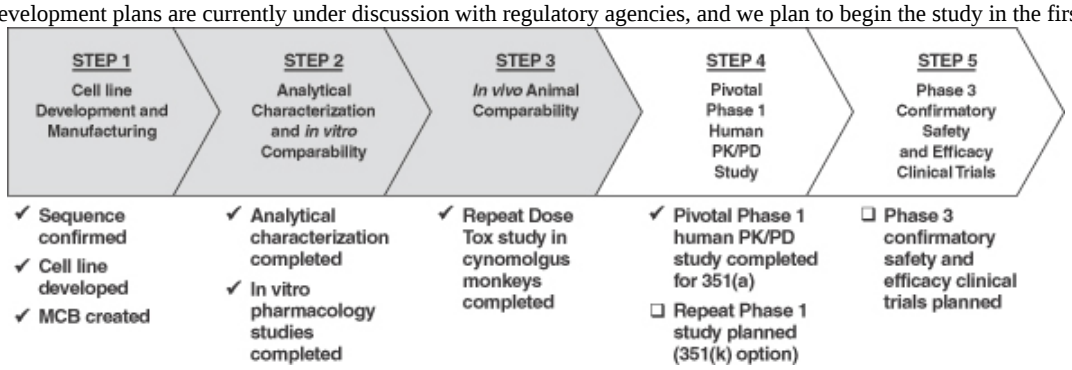
Pegfilgrastim (Neulasta), the reference product for CHS-1701, is a pegylated form of the recombinant human G-CSF analog, filgrastim. Filgrastim produced from *E. coli* is not glycosylated. We have performed extensive analytical characterization of CHS-1701 and have determined that its basic and higher-order structures are similar to Neulasta. We have also performed *in vitro* characterization of the biological activity of CHS-1701. The biological effect of CHS-1701 on neutrophils was assessed by measuring the proliferation of NFS-60 cells that are commercially available hematopoetic cells (blood cells that give rise to other blood cells) of neutrophilic lineage expressing G-CSF receptors and have been used extensively for testing G-CSF products. The biological activity of CHS-1701 (proliferation of NFS-60 cells) is a consequence of its binding to G-CSF receptors expressed on NFS-60 cells, activation of this receptor and induction of the proliferation. In this assay, proliferation of NFS-60 cells is stimulated with varying concentrations of CHS-1701. Proliferation is then measured through the addition of the special dye that is transformed during cell proliferation and induces a luminescent signal directly proportional to the number of living cells. Luminescence is emission of light caused by chemical reactions. We determined that CHS-1701 stimulated the proliferation of the NFS-60 cells in a manner consistent with that observed with Neulasta.

Neulasta is approved in the United States and Europe and is indicated as a treatment to reduce the incidence of infection, as manifested by febrile neutropenia, in patients with non-myeloid malignancies receiving myelosuppressive anticancer drugs associated with a clinically significant incidence of febrile neutropenia.

Analysts project the worldwide market for Neulasta in 2017 will exceed $3.9 billion, of which approximately $3.0 billion would be in the United States. We have concluded that patent expiration in major markets offers a near-term opportunity to introduce biosimilar competitors in the United States after October 2015 and in Europe after February 2018.

Current Development Status and Data

The diagram below summarizes the current development status of CHS-1701. Under the 351(a) (novel biologic) pathway, we have successfully advanced CHS-1701 through steps 1 through 4, including completion of a Phase 1 PK / PD study in healthy volunteers. This study was conducted under an Investigational New Drug application in the United States. We are currently preparing for the initiation of future studies as described below. Assuming positive results, we plan to file a BLA application for CHS-1701 in the United States in 2016 under the 351(a) pathway which does not require demonstration of bioequivalence to the originator drug. However, to preserve the option to change from the 351(a) (novel biologic) pathway to the 351(k) (biosimilar) pathway, we are also planning a repeat pivotal Phase 1 PK / PD study in healthy volunteers. We have not yet decided whether to proceed with this additional study. Phase 3 registration clinical trial requirements and development plans are currently under discussion with regulatory agencies, and we plan to begin the study in the first half of 2015.



Step 1: Cell Line Development and Manufacturing

As with our other product candidates, we confirmed that the amino acid sequence of CHS-1701 is identical to the originator molecule. CHS-1701 is manufactured in *E. coli* and PEGylation occurs as a subsequent step in the manufacturing process. For PEGylation of CHS-1701, we used the same polyethylene glycol, or PEG, molecule as Neulasta and established that chemistry and site of attachment of the PEG molecule was the same. We expect to manufacture commercial supply of CHS-1701 at a U.S. CMO.

Step 2: Analytical Characterization and In Vitro Comparability

Filgrastim produced from *E. coli* is not glycosylated. We performed extensive analytical characterization of CHS-1701 and have determined its basic and higher-order structures are similar to Neulasta. We studied the *in vitro* activity of CHS-1701 in a luminescence assay measuring the proliferation of the murine myeloid leukemia cell line, NFS-60. CHS-1701 stimulated the proliferation of the NFS-60 cells in a concentration-dependent manner, consistent with the proliferation seen with Neulasta.

Step 3: In Vivo Animal Comparability

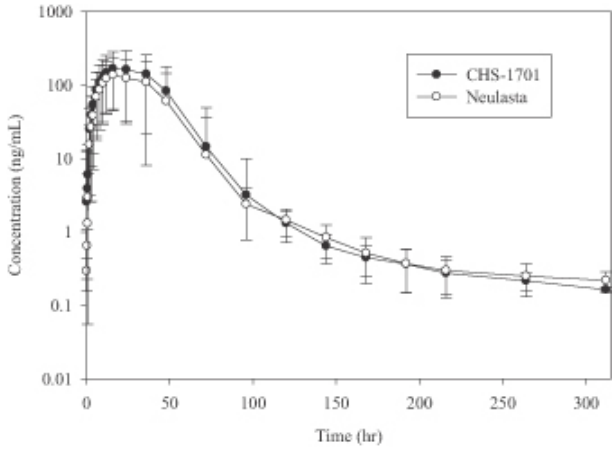
With CHS-1701, we have performed two preclinical pharmacology/toxicology studies: a two-week study in rats and a four-week study in monkeys. We performed a two-week rat study to characterize the toxicity and pharmacodynamics of CHS-1701 administered every four days for two weeks, with a recovery period of one week compared to Neulasta. Doses ranged from 0.1 to 1.0 mg/kg. There was no mortality during the study and no systemic signs of toxicity could be attributed to treatment. There were no differences in clinical observations between the control and treated animals. Dose-proportional increases in absolute neutrophil count, or ANC, and total white blood cell count were observed at all dose levels of CHS-1701. Clinical chemistry findings and mild to moderate splenic enlargement in the CHS-1701-treated animals were consistent with the pharmacological effects of treatment with Neulasta.

We designed a second pharmacology/toxicology study in animals to characterize PK and PD profiles as well as the potential for harmful antibody responses to CHS-1701 or other toxic effects, in order to compare these attributes observed for CHS-1701 with those we observed for Neulasta. We administered either CHS-1701 or Neulasta at dose levels of 0.075, 0.25 and 0.75 mg/kg once weekly for 4 weeks. We found that CHS-1701 performed in a manner similar to Neulasta in that it increased the production of white blood cells in the bone marrow and resulted in an increase in the amount of white blood cells in the blood, in the bone marrow and in lymphoid tissues such as spleen and thymus tissue. Moreover, we found no differences between CHS-1701 and Neulasta in terms of potentially harmful antibody responses or other toxicities, nor in terms of PK and PD.

Step 4: Pivotal Phase 1 Human Pharmacokinetic and Pharmacodynamic Study

We conducted a Phase 1, randomized, double-blind, single-dose, two-period crossover study to assess the PK profile, safety and activity of a single subcutaneous 6 mg dose of CHS-1701 compared to Neulasta in 79 healthy human subjects between November 2012 and March 2013. There was a 28-day washout interval after each drug administration. Bioequivalence of CHS-1701 and Neulasta was measured based on AUC_{0gt}, AUC_{0ginf} and C_{max} of the molecule.

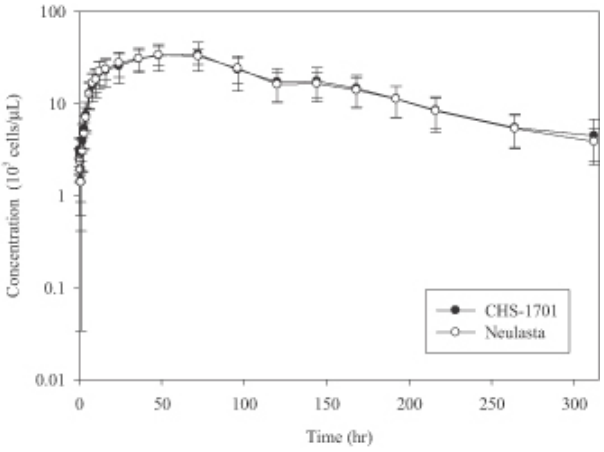
Mean Serum Concentration Over Time of CHS-1701 and Neulasta



Pegfilgrastim mean exposure (C_{max}, AUC_{0gt} and AUC_{0ginf}) and standard deviation values were overlapping after subcutaneous administration of CHS-1701 or Neulasta, independent of the day of dosing or the treatment sequence, with notable variability observed. However, the study did not meet bioequivalence due to geometric mean values (i.e., a type of calculation that compares the measured values) ranging slightly above the allowed upper confidence interval (125%) on all three variables. Under the 351(a) (novel biologic) pathway, demonstration of pharmacokinetic bioequivalence of CHS-1701 to Neulasta is not required and the FDA has indicated that our development program may proceed to Phase 3. However, to preserve the option to change from a 351(a) (novel biologic) pathway to a 351(k) (biosimilar) pathway, we are also making necessary preparations for a new pivotal Phase 1 PK / PD study in healthy volunteers for purposes of demonstrating PK bioequivalence to the originator drug (Neulasta), which is required under the 351(k) pathway. We have not yet decided whether to proceed with this additional study.

Importantly, with respect to the PD marker, the absolute neutrophil count, or ANC, mean exposure (AUC_{0gt}), the study demonstrated that CHS-1701 mobilization of neutrophils was comparable to that observed with Neulasta. Although we did not power the study to define bioequivalence for this endpoint, a post-hoc analysis of this secondary endpoint revealed that this endpoint would have met bioequivalence criteria. This further suggests that the variations observed in the study that resulted in missing PK bioequivalence had little to no effect on the PD response (i.e., mean increase in ANC over time) and that CHS-1701 functioned as anticipated, as well as similarly to Neulasta.

Mean Absolute Neutrophil Count (ANC) Over Time after single dose of CHS-1701 or Neulasta



Overall, we demonstrated that the adverse event profile was similar between the two treatments. Adverse events reports in both treatment arms included upper respiratory infection, back pain, pain in extremity, arthralgia, musculoskeletal chest pain, neck pain and headache. In this study, CHS-1701 and Neulasta had essentially the same safety profile. Anti-drug antibodies were similar between CHS-1701 and Neulasta and did not appear to affect drug exposure. Neutralizing antibodies were not evaluated in this study.

The Phase 1 study described above met its primary endpoint for purposes of enabling us to pursue a 351(a) (novel biologic) approval pathway, but did not establish bioequivalence necessary to support a 351(k) (biosimilar) pathway. To preserve our option to change from a 351(a) (novel biologic) pathway to a 351(k) (biosimilar) pathway, we are planning a repeat pivotal Phase 1 PK / PD study to measure the bioequivalence of CHS-1701 and Neulasta. If we decide to proceed with this additional Phase 1 study, we will design the study to address variability that we observed in our first PK study, which we believe led to the lack of bioequivalence.

We are also planning to perform a single-dose, dose-proportionality study in the United States. This study will assess the PK and ANC profile over time for CHS-1701 compared to Neulasta. The doses are the 6 mg dose that is the approved dose of Neulasta and at least one additional dose level below the 6 mg dose. This study will be performed in parallel with the Phase 3 clinical trial.

We are also planning to perform a multi-dose PK study at the 6 mg dose as part of the Phase 3 clinical trials described below.

Step 5: Phase 3 Confirmatory Safety and Efficacy Clinical Trials

We are planning to initiate two Phase 3 clinical trials in the first half of 2015. The primary objective of these trials will be to compare the efficacy of CHS-1701 versus Neulasta in reducing the duration of severe neutropenia in the first cycle of chemotherapy. We also intend to compare the safety profiles of CHS-1701 and Neulasta and to explore other measures of efficacy.

These will be studies in patients with advanced breast cancer receiving chemotherapy with CHS-1701 or Neulasta administered 24 hours after each dose of chemotherapy for the first four cycles. In each of these trials, we plan to enroll approximately 369 subjects randomized 2:1 to CHS-1701 or Neulasta. In both studies, the primary endpoint will be the days of severe neutropenia, a surrogate marker for febrile neutropenia, following the first dose of CHS-1701 in comparison to Neulasta.

Early-Stage Biosimilar Pipeline

Beyond the products we are currently advancing through late-stage clinical development, there is significant value in the biosimilar product development platform we have built. With the same rigorous discipline we have put in place to develop our current clinical portfolio, we have created a repeatable process that we believe will accelerate new products through our pipeline and create long term value.

We have performed a product opportunity review of additional biosimilar pipeline candidates in conjunction with our Scientific Advisory Board. Accordingly, we are advancing the development of several undisclosed product candidates through various steps. One or more of these products is expected to form the basis of our Phase 3 clinical trial pipeline between 2017 and 2020.

Sales and Marketing

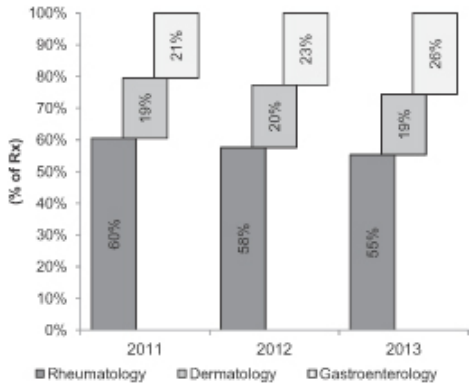
Our strategy entails licensing product rights outside of the United States to commercially proficient entities, while retaining U.S. rights to commercialization. Because the sales call points for our clinical stage assets in the United States are highly concentrated and addressable by a relatively small commercial organization, the preservation of U.S. rights allows us the flexibility to cost effectively build our own commercial capability should we determine that to be the most effective path. For example, the majority of Humira prescriptions flow through rheumatology physicians, the smallest prescribing set in the category (see charts below). In the circumstance of a collaboration model outside of the United States involving a joint governance structure, a strategic marketing capability will be employed to provide decision support to the collaboration.

Target Physician Numbers

Specialty	U.S. Physicians
Rheumatology	4,069
Dermatology	10,101
Gastroenterology	11,550

Source: IMS Health; Association of American Medical Colleges Physician Specialty Data Book 2012; AMA Physician Master File (December 2010)

Humira Prescriptions in the U.S., by Specialty



Source: Association of American Medical Colleges

Manufacturing

We have entered into agreements with CMOs including Cook Pharmica LLC, or Cook, Rentschler Biotechnologie GmbH, or Rentschler, and Cytovance Biologics, Inc., or Cytovance, for the manufacture and clinical drug supply for our lead products candidates. We continue to screen other contract manufacturers to meet our clinical, commercial and regulatory supply requirements on a product-by-product basis. We have not yet entered into commercial supply agreements with any contract manufacturers, but we will commence negotiations as appropriate based on development of our lead product candidates.

Competition

The development and commercialization of protein-based therapeutics is highly competitive. While we believe that our biologics platform, knowledge, experience and scientific resources provide us with competitive advantages, we face potential competition from many different sources. Such competition includes larger and

better-funded pharmaceutical, generic pharmaceutical, specialty pharmaceutical and biotechnology companies, as well as innovator companies and any other firms developing the biosimilars that would compete with the product candidates in our pipeline and other novel products with similar indications. For example, CHS-0214 may compete with products developed by Pfizer (which holds ex-North America rights to Enbrel, the reference product of CHS-0214), Sandoz (as a biosimilar company), Bioepis and Merck & Co., Inc., or Merck, (through their collaboration to develop and commercialize etanercept (Enbrel) biosimilar candidates) and Hanwha. Similarly, CHS-1420 may face competition from AbbVie (the holder of rights to Humira, the reference product of CHS-1420), Sandoz (as a biosimilar company), Amgen, Actavis, Plc, or Actavis, Pfizer and Boehringer Ingelheim (as biosimilar companies and as developers of novel products). CHS-1701 may face competition from Amgen (which holds rights to Neulasta, the reference product of CHS-1701), Sandoz (as a biosimilar company) and Hospira and Teva (as developers of novel products).

Many of our competitors, either alone or with their strategic partners, have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of treatments and commercializing those treatments. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance. Our competitors' treatments may be more effective or more effectively marketed and sold than any treatment we may commercialize and may render our treatments obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates.

Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These competitors also compete with

us in recruiting and retaining qualified scientific and management personnel and establishing clinical study sites and subject registration for clinical studies, as well as in acquiring technologies complementary to or necessary for our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

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

Collaboration and License Agreements

License Agreement with Daiichi Sankyo Company, Limited

In January 2012, we entered into a license agreement with Daiichi Sankyo for the development and commercialization of certain biosimilar products in certain territories. Under this agreement, we granted to Daiichi Sankyo an exclusive, royalty-bearing license to develop, commercialize and use biosimilar versions of etanercept (Enbrel) and rituximab (Rituxan) for the treatment of human diseases and conditions in Japan, Taiwan and South Korea. Under this agreement, Daiichi Sankyo has an option, exercisable only within a certain time period, to obtain an exclusive license to develop and commercialize certain biosimilar products in China. Daiichi Sankyo also has an option, exercisable at any time during the term of the agreement, to obtain a license to manufacture licensed products to support development and commercialization of licensed products in the licensed territory, on a product-by-product basis. Prior to Daiichi Sankyo's exercise of its manufacturing option, we are responsible for manufacturing and supplying to Daiichi Sankyo licensed products pursuant to a manufacturing and supply agreement to be entered under the terms of this agreement.

In May 2012, Daiichi Sankyo terminated its licensed rights, solely as to CHS-0214, in Taiwan and South Korea. In August 2012, Daiichi Sankyo declined its right to expand the territory to include China. In July 2014, Daiichi Sankyo terminated all of its licensed rights to a biosimilar rituximab product.

Upon execution of the agreement, we received an upfront payment in cash of $10.0 million and $20.0 million in the form of an equity investment. We are eligible to receive from Daiichi Sankyo tiered royalties based on a percentage of net sales of licensed products in the licensed territory ranging from the low double digits to high teens, on a product-by-product basis. If we are manufacturing product, we are eligible to receive an incremental royalty reflecting our manufacturing costs for each licensed product which, when combined with the base royalty, will result in royalties equal to a percentage of net sales of licensed products ranging from the low- to high-twenties, on a product-by-product basis.

Our agreement with Daiichi Sankyo will expire on a product-by-product and country-by-country basis ten years after receipt of regulatory approval for such product in such country, subject to possible three-year extensions at Daiichi Sankyo's sole discretion, if Daiichi Sankyo is then manufacturing the relevant product, or otherwise by mutual agreement of the parties, based on the approval of a commercial plan in the year before such extension would take effect. Either party may terminate the agreement for any material breach by the other party that is not cured within a specified time period. Prior to commercialization, Daiichi Sankyo may terminate the agreement on a product-by-product and country-by-country basis within specific time periods after achieving certain development milestones only if Daiichi Sankyo concludes, in good faith, that the product is not commercially viable, that there are material safety, efficacy or tolerability issues that cannot be overcome or that there would be difficulties caused by internal or portfolio reasons. After commencement of commercialization, Daiichi Sankyo may terminate the agreement on a product-by-product and country-by-country basis with one year's prior written notice to us only if Daiichi Sankyo concludes, in good faith, that the product is not commercially viable, that there are material safety, efficacy or tolerability issues that cannot be overcome or that there are difficulties caused by internal or portfolio reasons. Either party may terminate the agreement upon bankruptcy or insolvency of the other party, and we may terminate the agreement if Daiichi Sankyo challenges the licensed patents.

License Agreement with Baxter International, Inc., Baxter Healthcare Corporation and Baxter Healthcare SA

In August 2013, we entered into a license agreement with Baxter for the development, use and commercialization of a biosimilar version of etanercept (Enbrel). Under this agreement, we granted to Baxter an exclusive, royalty-bearing license to develop, commercialize and use a biosimilar version of etanercept (Enbrel) for the treatment of human diseases and conditions worldwide, excluding the United States, Japan and certain Caribbean and Latin American countries. Under this agreement, Baxter has the exclusive, time-limited right to negotiate and enter into a definitive agreement with a third party relating to the commercialization of the licensed product in an additional, specified country. If Baxter fails to do so within the specified time period, we will obtain a right to pursue such an agreement for such product in such country as well. Baxter may also elect to enter into an agreement with us for the development and commercialization of an additional biosimilar product. Additionally, if Baxter decides not to proceed with development of the licensed product solely based on certain clinical results failing to demonstrate pharmacokinetic bioequivalence, material safety issues with the licensed product based on such clinical results that cannot be remedied or overcome or the identification of violations by third party vendors of applicable laws relating to quality of licensed products that in the aggregate would preclude the ability of such vendors to qualify under Baxter's standard vendor qualification policies and procedures, then Baxter has the right to identify up to two additional biosimilar products for which Baxter would have a right of first refusal or the right to negotiate a term sheet for development and commercialization of such additional products at Baxter's election. We are responsible for the manufacture and supply of licensed product pursuant to a manufacturing agreement to be entered into under the terms of this Agreement.

Upon execution of the license agreement, we received an upfront payment in cash of $30.0 million. We are eligible to receive from Baxter tiered royalties, based on the manufacturing cost as a percentage of net sales of licensed products, ranging from the mid-single digits to the high teens on a country-by-country basis. These royalties are subject to certain offsets and reductions. We are also eligible to receive milestone payments for achievement of specified development and regulatory milestones totaling up to $216.0 million. In February 2014, we amended the license agreement to increase the eligible milestone payments by $5.3 million to an aggregate amount of $221.3 million. Contingent payments intended to cover development-related expenses are potentially reimbursable, in part, to Baxter in certain limited circumstances. The amounts that are potentially reimbursable to

Baxter contain a claw-back feature that, in the event that we commercialize a biosimilar version of etanercept (Enbrel) in the United States, as opposed to Baxter opting-in to commercialize the molecule in the United States, fifty percent (50%) of those contingent payments are refundable to Baxter.

Our agreement with Baxter will expire in its entirety ten years from August 2013, subject to possible three-year extensions on a country-by-country basis at Baxter's discretion provided the parties have agreed upon a commercialization plan for such country at least six months prior to the date upon which the term would otherwise expire in such country. Either party may terminate the agreement for any material breach by the other party that is not cured within a specified time period. Baxter may terminate the agreement in its entirety or on a country-by-country basis on written notice to us within specified time periods if Baxter concludes in good faith that the product is not commercially viable or that there are material safety, efficacy or tolerability issues that cannot be overcome. Baxter may also terminate the agreement in its entirety in Baxter's sole discretion after first commercial sale upon 18 months prior written notice or if certain types of costs for which it is responsible exceed specified levels. Either party may terminate the agreement upon bankruptcy or insolvency of the other party, and we may terminate the agreement if Baxter challenges the licensed patents.

Distribution Agreement with Orox Pharmaceuticals B.V.

In December 2012, we entered into a distribution agreement with Orox Pharmaceuticals B.V., or Orox, for the commercialization of biosimilar versions of etanercept (Enbrel), rituximab (Rituxan), adalimumab (Humira) and pegfilgrastim (Neulasta). Under this agreement, we granted to Orox an exclusive license to commercialize the products for the treatment of human diseases and conditions in certain Caribbean and Latin American countries. Under this agreement, Orox has an option, exercisable within a defined time period, to obtain an exclusive license to commercialize certain additional biosimilar products in the same field and territory. We are obligated to manufacture and supply licensed products to Orox.

We are obligated to develop licensed products and achieve regulatory approval for such products outside of the Caribbean and Latin American countries covered by the agreement by specified dates in order to support Orox's activities under the agreement in its licensed territory. We are eligible to receive from Orox a share of gross profits in the low 20 percent range from the sale of licensed products, on a product-by-product basis.

Our agreement with Orox will expire on a product-by-product and country-by-country basis ten years after regulatory approval of such product in such country, subject to automatic three-year extensions unless Orox notifies us in writing at least 18 months in advance of the date upon which the term would otherwise expire that it does not wish to extend the term for such product in such country. Either party may terminate the agreement for material breach by the other party that is not cured within a specified time period. Orox may terminate the Agreement for convenience on a product-by-product basis at any time upon 12-months prior written notice. Either party may terminate the agreement upon bankruptcy or insolvency of the other party, and we may terminate the agreement immediately upon written notice to Orox if Orox challenges the licensed patents or commits a breach of specified provisions of the agreement.

License Agreement with Genentech, Inc.

In July 2013, we entered into a license agreement with Genentech, under which we obtained a royalty-bearing, non-exclusive, sublicensable license under a family of patents, commonly referred to as the Cabilly patents, to manufacture, use and commercialize products containing antibodies that bind to TNF-a. In consideration for the rights granted to us under the agreement, we made a cash up-front payment to Genentech and are required to make a payment in the single digit millions of dollars based upon achievement of a regulatory milestone. We will also be required to pay tiered royalties on net sales of products covered by the in-licensed patents ranging from the low- to mid-single digits.

We may terminate the agreement at any time upon sixty days prior written notice to Genentech. Genentech may terminate the agreement for any material breach by Coherus that is not cured within a specified time period

or in the event of our insolvency. Genentech may also terminate the agreement if we challenge the licensed patents. Absent earlier termination, the agreement with Genentech will expire on a country-by-country basis on the expiration of the last valid patent claim.

License Agreements with Selexis SA

In April 2011 and June 2012, we entered into license agreements with Selexis SA, or Selexis, under which Selexis granted to us royalty-bearing, non-exclusive, sublicensable licenses under Selexis's intellectual property rights to manufacture, use and commercialize two of our biosimilar products using Selexis cell lines. In consideration for the rights granted to us under the agreements, we made cash upfront payments to Selexis and are required to make payments based upon the achievement of certain development, regulatory and commercial milestones for such biosimilar products, totaling up to €210,000 for each of the two products, or a total aggregate amount of €420,000. In addition, we are also required to pay a royalty as a percentage of revenue on a product-by-product and country-by-country basis in the low-single digits.

We may terminate each agreement at any time upon sixty days written notice to Selexis. Either we or Selexis may terminate an agreement for any material breach by the other party that is not cured within a specified time period or in the event of the other party's insolvency. Absent earlier termination, the agreements with Selexis terminate on a country-by-country and product-by-product basis on the expiration of the last-to-expire or lapse of the valid patent claims covering such product in such country.

Intellectual Property

Our commercial success depends in part on our ability to avoid infringing the proprietary rights of third parties, our ability to obtain and maintain proprietary protection for our technologies where applicable and to prevent others from infringing our proprietary rights. We seek to protect our proprietary technologies by, among other methods, filing U.S. and international patent applications on these technologies, inventions and improvements that are important to our business. We also rely on trade secrets, know-how and continuing technological innovation to develop and maintain our proprietary position.

The term of individual patents depends upon the legal term of the patents in countries in which they are obtained. In most countries, including the United States, the patent term is generally 20 years from the earliest date of filing a non-provisional patent application in the applicable country. In the United States, a patent's term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office in examining and granting a patent or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date.

In the normal course of business, we pursue patent protection directed primarily to protein manufacture and formulation. We are the sole owners of a portfolio of pending patent applications, none of which have yet issued, and all of which pertain to our lead product candidates CHS-0214 and CHS-1420. We have 104 pending patent applications the United States and in other countries covering formulations and manufacture of CHS-0214, which if granted are expected to expire in 2032 and 2033. We have eight pending patent applications in the United States and in other countries covering formulations of CHS-1420, which if granted are expected to expire in 2033.

We have non-exclusive licenses from Selexis under patents and patent applications granted or filed in the United States and other countries that cover Selexis's recombinant cell line technology in two families. One family of patents is directed to methods for transfecting eukaryotic cells with nucleic acid vectors using Matrix Attachment Regions, or MARs, elements to increase stable and transient transfection efficiency. The second family of patents is related to purified and isolated DNA sequences having protein production increasing activity and to the use of MARs for increasing protein production activity in a eukaryotic cell. The licensed patents are expected to expire between 2023 and 2026.

We have a non-exclusive license from Genentech under two U.S. patents which are commonly known as the "Cabilly" patents. The Cabilly patents cover key steps of therapeutic antibody manufacturing methods. One of

the Cabilly patent covers a process for producing an immunoglobulin molecule (Ig) in a single host cell; the second Cabilly patent covers a method for making an antibody heavy chain and antibody light chain in a recombinant host cell. Both licensed patents are expected to expire in December 2018.

To date we have not licensed any patents from Daiichi Sankyo or Baxter.

We do not know whether any of the pending patent applications described above will result in the issuance of any patents or whether the rights granted under any patents issuing from these applications will prevent any of our competitors from marketing similar products that may be competitive with our own. Moreover, even if we do obtain issued patents, they will not guarantee us the right to use our patented technology for commercialization of our product candidates. Third parties may have blocking patents that could prevent us from commercializing our own products, even if our products use or embody our own patented inventions.

The validity and enforceability of patents are generally uncertain and involve complex legal and factual questions. Any patents that may issue on our pending applications may be challenged, invalidated or circumvented, which could limit our ability to stop competitors from marketing products similar to ours. Furthermore, our competitors may develop similar or alternative technologies not covered by any patents that may issue to us.

In a merger completed February 12, 2014, we acquired InteKrin Therapeutics, Inc., or InteKrin. InteKrin is developing a small molecule peroxisome proliferator-activated receptor, or PPAR, gamma inhibitor for the treatment of multiple sclerosis which we believe may be complementary with one or more biologic therapeutics for multiple sclerosis we are currently evaluating as a potential candidate for inclusion in our pipeline of biosimilar products. InteKrin is the exclusive licensee of certain U.S. and foreign patents and patent applications owned by Amgen, covering the specific PPAR gamma inhibitor molecule that InteKrin is developing. InteKrin also owns pending patent filings related to this PPAR gamma inhibitor.

InteKrin has an exclusive license from Amgen under 122 patents and patent applications granted or filed in the United States and other countries that cover PPAR gamma inhibitor molecules and therapeutic product compositions that are expected to expire in 2020 and 2021, as well as certain salt forms and polymorphic forms of PPAR gamma inhibitor molecules that are expected to expire in 2024. Additionally, InteKrin owns ten pending patent applications filed in the United States and other countries that cover solid forms of PPAR gamma pharmaceutical compositions that, if granted, are expected to expire in 2029, 2031 and 2034.

For technologies for which we do not seek patent protection, we may rely on trade secrets to protect our proprietary position. However, trade secrets are difficult to protect. We seek to protect our technology and product candidates, in part, by entering into confidentiality agreements with those who have access to our confidential information, including our employees, consultants, advisors, contractors or collaborators. We also seek to preserve the integrity and confidentiality of our proprietary technology and processes by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our employees, consultants, advisors, contractors and collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For a discussion of risks related to our proprietary technology and processes, please see “Risk Factors — Risks Related to Intellectual Property.”

Regulatory

Government Regulation and Product Approval

Government authorities at the federal, state and local level in the United States and in other countries extensively regulate, among other things, the research, development, testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, import and export of pharmaceutical products such as those we are developing. The processes for obtaining regulatory approvals in the United States and in foreign countries, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

FDA Approval Process

All of our current product candidates are subject to regulation in the United States by the FDA as biological products, or biologics. The FDA subjects biologics to extensive pre- and post-market regulation. The Public Health Service Act, or PHSA, the Federal Food, Drug and Cosmetic Act, or FFDCA, 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 biologics. 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 BLAs, withdrawal of approvals, clinical holds, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties or criminal penalties.

The PHSA emphasizes the importance of manufacturing control for products whose attributes cannot be precisely defined. The PHSA also provides authority to the FDA to immediately suspend licenses in situations where there exists a danger to public health, to prepare or procure products in the event of shortages and critical public health needs and to authorize the creation and enforcement of regulations to prevent the introduction or spread of communicable diseases in the United States and between states.

The process required by the FDA before a new biologic may be marketed in the United States is long, expensive and inherently uncertain. Biologics development in the United States typically involves pre-clinical laboratory and animal tests, the submission to the FDA of an investigational new drug, 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 biologic for each indication for which FDA approval is sought. Developing the data to satisfy 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.

Pre-clinical 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 pre-clinical tests must comply with federal regulations and requirements, including good laboratory practices. An IND is a request for authorization from the FDA to administer an investigational new product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human studies, although the IND must also include the results of pre-clinical testing and animal testing assessing the toxicology, pharmacokinetics, pharmacology and pharmacodynamic characteristics of the product along with other information, including information about product chemistry, manufacturing and controls and a proposed clinical trial protocol. Long term pre-clinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

An IND must become effective before United States clinical trials may begin. A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If during the 30-day waiting period the FDA raises concerns or questions related to the proposed clinical studies, the sponsor and the FDA must resolve any outstanding concerns or questions before clinical studies can begin. If the 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 or biologic to healthy volunteers or patients with the condition under investigation, all 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 the FDA as part of the IND.

The 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. The study sponsor may also suspend a clinical trial at any time on various grounds, including a determination that the subjects or patients are being exposed to an unacceptable health risk.

Clinical trials to support BLAs for marketing approval of an originator biologic under the 351(a) pathway are typically conducted in three sequential phases, but the phases may overlap or be combined. In Phase 1, the biologics are initially introduced into healthy human subjects or patients and the biologic is tested to assess pharmacokinetics, pharmacological actions, side effects associated with increasing doses, and, if possible, early evidence of effectiveness. In the case of some products for severe or life-threatening diseases, such as cancer treatments, initial human testing may be conducted in the intended patient population. Phase 2 usually involves trials in a limited patient population to determine the effectiveness of the biologic 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 clinical trials are undertaken to obtain additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites. These Phase 3 clinical trials are intended to establish data sufficient to demonstrate substantial evidence of the efficacy and safety of the product to permit the FDA to evaluate the overall benefit-risk relationship of the biologic and to provide adequate information for the labeling of the biologic. Trials conducted outside of the United States under similar, GCP-compliant conditions in accordance with local applicable laws may also be acceptable to the FDA in support of product licensing.

Sponsors of clinical trials for investigational drugs must publicly disclose certain clinical trial information, including detailed trial design and trial results in the FDA public databases. These requirements are subject to specific timelines and apply to most controlled clinical trials of FDA-regulated products. Phase 1, Phase 2 and Phase 3 trials may not be completed successfully within a specified period, if at all, and there can be no assurance that the data collected will support FDA approval or licensure of the product.

After successful completion of the required clinical testing in accordance with all applicable regulatory requirements, detailed information regarding the investigational product is prepared and submitted to the FDA in the form of a BLA requesting approval to market the product for one or more indications. FDA review and approval of the BLA is required before marketing of the product may begin in the United States. The BLA must include the results of all pre-clinical, clinical and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture and controls and must demonstrate the safety and efficacy of the product based on these results. The BLA must also contain extensive manufacturing information. The cost of preparing and submitting a BLA is substantial. Under federal law, the submission of most BLAs is additionally subject to a substantial application user fee, as well as annual product and establishment user fees, which may total several million dollars and are typically increased annually.

The FDA has 60 days from its receipt of a BLA 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, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of BLAs. The FDA's stated goal is to review most such applications for standard review biologics within ten months from the date the application is accepted for filing. Although the FDA can meet its user fee performance goals, the review process is often significantly extended by requests for additional information or clarification, and FDA review may not occur on a timely basis at all. The FDA reviews a BLA to determine, among other things, whether a product is safe, pure and potent and the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued safety, purity and potency. The FDA usually refers applications for novel biologics or biologics which present difficult questions of safety or efficacy, to an advisory committee — typically a panel that includes clinicians and other experts — for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving a BLA, the FDA will typically inspect one or more clinical sites to assure

compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the biologic is manufactured. The FDA will not approve the product unless it verifies that compliance with current GMP – a quality system regulating manufacturing — is satisfactory and the BLA contains data that provide substantial evidence that the biologic is safe and effective in the indication studied.

After the FDA evaluates the BLA 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 the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. The FDA approval is never guaranteed, and the FDA may refuse to approve a BLA if applicable regulatory criteria are not satisfied.

Under the PHSA, the FDA may approve a BLA if it determines that the product is safe, pure and potent and the facility where the product will be manufactured meets standards designed to ensure that it continues to be safe, pure and potent. An approval letter authorizes commercial marketing of the biologic with specific prescribing information for specific indications. The approval for a biologic may be significantly more limited than requested in the application, including limitations on the specific diseases and dosages or the indications for use, which could restrict the commercial value of the product. The FDA may also require that certain contraindications, warnings or precautions be included in the product labeling. In addition, as a condition of BLA approval, the FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the biologic 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 or use of a companion diagnostic with a biologic can materially affect the potential market and profitability of the biologic. Moreover, product approval may require, as a condition of approval, substantial post-approval testing and surveillance to monitor the biologic's safety or efficacy. Such post-approval testing may include Phase 4 trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

After a BLA is approved, the product may also be subject to official lot release. As part of the manufacturing process, the manufacturer is required to perform certain tests on each lot of the product before it is released for distribution. If the product is subject to official lot release by the FDA, the manufacturer submits samples of each lot of product to the FDA together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products, such as viral vaccines, before releasing the lots for distribution by the manufacturer. In addition, the FDA conducts laboratory research related to the regulatory standards on the safety, purity, potency and effectiveness of biological products. After approval of biologics, manufacturers must address any safety issues that arise, are subject to recalls or a halt in manufacturing and are subject to periodic inspection after approval.

Because biologically sourced raw materials are subject to unique contamination risks, their use may be restricted in some countries.

Abbreviated Licensure Pathway of Biological Products as Biosimilar under 351(k)

The Biologics Price Competition and Innovation Act of 2009, or BPCIA, amended the PHSA and created an abbreviated approval pathway for biological products shown to be highly similar to an FDA-licensed reference biological product. The BPCIA attempts to minimize duplicative testing and thereby lower development costs and increase patient access to affordable treatments. For example, in contrast to the 351(a) (novel biologic) approval pathway discussed above, our experience to date with the FDA indicates that an application for licensure of a biosimilar product under the 351(k) (biosimilar) approval pathway may proceed on the basis of only two clinical study phases (typically termed Phase 1 and Phase 3) with supporting analytical and animal

studies, as compared with the requirement for three study phases under the 351(a) (novel biologics) approval pathway. Thus, under the 351(k) (biosimilar) approval pathway, an application for licensure of a biosimilar product must include information demonstrating biosimilarity based upon the following, unless the FDA determines otherwise:

- analytical studies demonstrating that the proposed biosimilar product is highly similar to the approved product notwithstanding minor differences in clinically inactive components;
- animal studies (including the assessment of toxicity); and
- two clinical study phases: first, a clinical study or studies (generally termed "Phase 1") that demonstrate the pharmacokinetic similarity (e.g. bioequivalence study) of the proposed biosimilar to the originator molecule, and second, a clinical study or studies (generally termed "Phase 3") that demonstrate the safety (including immunogenicity), purity and that potency is statistically not inferior to that of the originator in one or more conditions for which the reference product is licensed and intended to be used.

In addition, an application submitted under the 351(k) pathway must include information demonstrating that:

- the proposed biosimilar product and reference product utilize the same mechanism of action for the condition(s) of use prescribed, recommended or suggested in the proposed labeling, but only to the extent the mechanism(s) of action are known for the reference product;
- the condition or conditions of use prescribed, recommended or suggested in the labeling for the proposed biosimilar product have been previously approved for the reference product;
- the route of administration, the dosage form and the strength of the proposed biosimilar product are the same as those for the reference product; and
- the facility in which the biological product is manufactured, processed, packed or held meets standards designed to assure that the biological product continues to be safe, pure and potent.

Biosimilarity, as defined in PHSA §351(i), means that the biological product is highly similar to the reference product notwithstanding minor differences in clinically inactive components and that there are no clinically meaningful differences between the biological product and the reference product in terms of the safety, purity and potency of the product. In addition, section 351(k)(4) of the PHSA provides for a designation of "interchangeability" between the reference and biosimilar products, whereby the biosimilar may be substituted for the reference product without the intervention of the health care provider who prescribed the reference product. The higher standard of interchangeability must be demonstrated by information sufficient to show that:

- the proposed product is biosimilar to the reference product;
- the proposed product is expected to produce the same clinical result as the reference product in any given patient; and
- for a product that is administered more than once to an individual, the risk to the patient in terms of safety or diminished efficacy of alternating or switching between the biosimilar and the reference product is no greater than the risk of using the reference product without such alternation or switch.

FDA approval is required before a biosimilar may be marketed in the United States. However, complexities associated with the large and intricate structures of biological products and the process by which such products are manufactured pose significant hurdles to the FDA's implementation of the 351(k) approval pathway that are still being worked out by the FDA. For example, the FDA has discretion over the kind and amount of scientific evidence — laboratory, preclinical and/or clinical — required to demonstrate biosimilarity to a licensed biological product. The FDA intends to consider the totality of the evidence, provided by a sponsor to support a demonstration of biosimilarity, and recommends that sponsors use a stepwise approach in the development of their biosimilar products. Biosimilar product applications thus may not be required to duplicate the entirety of preclinical and clinical testing used to establish the underlying safety and effectiveness of the reference product. However, the FDA may refuse to approve a biosimilar application if there is insufficient information to show that

the active ingredients are the same or to demonstrate that any impurities or differences in active ingredients do not affect the safety, purity or potency of the biosimilar product. In addition, as with BLAs, biosimilar product applications will not be approved unless the product is manufactured in facilities designed to assure and preserve the biological product's safety, purity and potency.

The submission of an application via the 351(k) pathway does not guarantee that the FDA will accept the application for filing and review, as the FDA may refuse to accept applications that it finds are incomplete. The FDA will treat a biosimilar application or supplement as incomplete if, among other reasons, any applicable user fees assessed under the Biosimilar User Fee Act of 2012 have not been paid. In addition, the FDA may accept an application for filing but deny approval on the basis that the sponsor has not demonstrated biosimilarity, in which case the sponsor may choose to conduct further analytical, preclinical or clinical studies to demonstrate such biosimilarity under section 351(k) or submit a BLA for licensure as a new biological product under section 351(a) of the PHSA. For example, the potential for different regulatory outcomes depending on the selected approval pathway has been illustrated in connection with our development program for CHS-1701. At the outset of our development effort for this product candidate, we elected to proceed under the 351(a) (novel biologic) approval pathway. However, although our Phase 1 PK / PD trial for CHS-1701 met its primary endpoint and was satisfactory for purposes of pursuing the 351(a) (novel biologic) approval pathway (which does not require bioequivalence to the originator drug), the trial did not establish bioequivalence to Neulasta sufficient to support the 351(k) (biosimilar) approval pathway. To preserve the option of pursuing a 351(k) (biosimilar) approval pathway for CHS- 1701, we are making necessary preparations that would enable us to conduct a new pivotal Phase 1 PK / PD study in healthy volunteers, but have not yet made a decision to proceed with this additional study.

The timing of final FDA approval of a biosimilar for commercial distribution depends on a variety of factors, including whether the manufacturer of the branded product is entitled to one or more statutory exclusivity periods, during which time the FDA is prohibited from approving any products that are biosimilar to the branded product. The FDA cannot approve a biosimilar application for 12 years from the date of first licensure of the reference product. Additionally, a biosimilar product sponsor may not submit an application under the 351(k) pathway for four years from the date of first licensure of the reference product. A reference product may also be entitled to exclusivity under other statutory provisions. For example, a reference product designated for a rare disease or condition, or an orphan drug, may be entitled to seven years of exclusivity under section 360cc of the FFDCA, in which case no product that is biosimilar to the reference product may be approved until either the end of the 12-year period provided under §351(k) or the end of the seven year orphan drug exclusivity period, whichever occurs later. In certain circumstances, a regulatory exclusivity period can extend beyond the life of a patent and thus block §351(k) applications from being approved on or after the patent expiration date. In addition, the FDA may under certain circumstances extend the exclusivity period for the reference product by an additional six months if the FDA requests, and the manufacturer undertakes, studies on the effect of its product in children, a so-called pediatric extension.

The first biological product determined to be interchangeable with a branded product for any condition of use is also entitled to a period of exclusivity, during which time the FDA may not determine that another product is interchangeable with the reference product for any condition of use. This exclusivity period extends until the earlier of: (1) one year after the first commercial marketing of the first interchangeable product; (2) 18 months after resolution of a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product, based on a final court decision regarding all of the patents in the litigation or dismissal of the litigation with or without prejudice; (3) 42 months after approval of the first interchangeable product, if a patent infringement suit instituted under 42 U.S.C. § 262(l)(6) against the applicant that submitted the application for the first interchangeable product is still ongoing; or (4) 18 months after approval of the first interchangeable product if the applicant that submitted the application for the first interchangeable product has not been sued under 42 U.S.C. § 262(l)(6).

Advertising and Promotion

Once a BLA is approved, a product will be subject to continuing post-approval regulatory requirements, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. For instance, the FDA closely regulates the post-approval marketing and promotion of biologics, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Failure to comply with these regulations can result in significant penalties, including the issuance of warning letters directing a company to correct deviations from FDA standards, a requirement that future advertising and promotional materials be precleared by the FDA and federal and state civil and criminal investigations and prosecutions.

Biologics may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. After approval, most changes to the approved product, including changes in indications, labeling or manufacturing processes or facilities, require submission and FDA approval of a new BLA or BLA supplement before the change can be implemented. A BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing BLA supplements as it does in reviewing BLAs. There are also continuing annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

Adverse Event Reporting and GMP Compliance

Adverse event reporting and submission of periodic reports are required following FDA approval of a BLA. The FDA also may require post-marketing testing, including Phase 4 testing, REMS and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, manufacture, packaging, labeling, storage and distribution procedures must continue to conform to current cGMPs after approval. Biologics manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the 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, request product recalls or impose marketing restrictions through labeling changes or product removals if a company fails to comply with regulatory standards, if it encounters problems following initial marketing or if previously unrecognized problems are subsequently discovered.

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

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

Other Healthcare Laws and Compliance Requirements

Although we currently do not have any products on the market, if our product candidates are approved and we begin commercialization, we will be subject to healthcare regulation and enforcement by the federal government and the states and foreign governments in which we conduct our business. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security and physician sunshine laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual, for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. The Anti-Kickback Statute is subject to evolving interpretations. In the past, the government has enforced the Anti-Kickback Statute to reach large settlements with healthcare companies based on sham consulting and other financial arrangements with physicians. Further, the recently enacted Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively, the PPACA, among other things, amends the intent requirement of the federal Anti-Kickback Statute and the criminal statute governing healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of these statutes or specific intent to violate them. In addition, the PPACA provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act or federal civil money penalties statute. The majority of states also have anti-kickback laws which establish similar prohibitions and in some cases may apply to items or services reimbursed by any third-party payor, including commercial insurers.

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

In addition, there has been a recent trend of increased federal and state regulation of payments made to physicians and other healthcare providers. The PPACA, among other things, imposes new reporting requirements on drug manufacturers for payments made by them to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. Failure to submit required information may result in civil monetary penalties of up to an aggregate of $150,000 per year (or up to an aggregate of $1 million per year for "knowing failures"), for all payments, transfers of value or ownership or investment interests that are not timely, accurately and completely reported in an annual submission. Drug manufacturers were required to begin collecting data on August 1, 2013 and submit reports on aggregate payment data to the government for the first reporting period (August 1, 2013 — December 31, 2013) by March 31, 2014 and to report detailed payment data for the first reporting period and submit legal attestation to the accuracy of such data by June 30, 2014. Thereafter, drug manufacturers must submit reports by the 90th day of each subsequent calendar year. Certain states also mandate implementation of commercial compliance programs, impose restrictions on pharmaceutical manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to physicians.

The shifting commercial compliance environment and the need to build and maintain robust systems to comply with different compliance and/or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may violate one or more of the requirements. If our operations are found to be in violation of any of such laws or any other governmental regulations that apply to us, we may be subject to

penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, exclusion from participation in federal and state healthcare programs and imprisonment, any of which could adversely affect our ability to operate our business and our financial results.

International Regulation

In addition to regulations in the United States, a variety of foreign regulations govern clinical trials, commercial sales and distribution of product candidates. The approval process varies from country to country and the time to approval may be longer or shorter than that required for FDA approval. In Europe, the approval of a biosimilar for marketing is based on an opinion issued by the European Medicines Agency and a decision issued by the European Commission. However, substitution of a biosimilar for the innovator is a decision that is made at the local (national) level on a country-by-country basis. Additionally, a number of European countries do not permit the automatic substitution of biosimilars for the originator product. Other regions, including Canada, Japan and Korea, also have their own legislation outlining a regulatory pathway for the approval of biosimilars. In some cases, other countries have either adopted European guidance (Singapore and Malaysia) or are following guidance issued by the World Health Organization (Cuba and Brazil). While there is overlap in the regulatory requirements across regions, there are also still some areas of non-overlap.

Pharmaceutical Coverage, Pricing and Reimbursement

In the United States and other countries, sales of any products for which we receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors, including government health administrative authorities, managed care providers, private health insurers and other organizations. Third-party payors are increasingly examining the medical necessity and cost effectiveness of medical products and services in addition to safety and efficacy and, accordingly, significant uncertainty exists as to the reimbursement status of newly approved therapeutics. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures and adoption of more restrictive policies in jurisdictions with existing controls and measures could further limit our net revenue and results. Decreases in third-party reimbursement for our product candidates or a decision by a third-party payor to not cover our product candidates could reduce physician utilization of our products and have a material adverse effect on our sales, results of operations and financial condition.

Employees

As of June 30, 2014, we had 46 full-time employees, 28 of whom were primarily engaged in research and development activities and 13 of whom had an M.D. or Ph.D. degree.

Facilities

Our headquarters are located in Redwood City, California, where we occupy office space in five suites under a lease that will expire in April 2017. Our analytical and process development laboratories are located in Camarillo, California under a lease that expires in June 2017.

Legal Proceedings

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

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors, as of September 25, 2014:

Name	Age	Position(s)
Executive Officers		
Dennis M. Lanfear	59	President, Chief Executive Officer and Chairman of the Board
Jean-Frédéric Viret, Ph.D.	49	Chief Financial Officer
Barbara K. Finck, M.D.	67	Chief Medical Officer
Alan C. Herman, Ph.D.	66	Chief Scientific Officer
Michael A. Nazak	56	Senior Vice President Finance & Administration
Peter K. Watler, Ph.D.	52	Chief Technical Officer
Non-Employee Directors		
James I. Healy, M.D., Ph.D.[(1)(2)]	49	Director
V. Bryan Lawlis, Ph.D.[(2).]	62	Director
Christos Richards[(3)]	57	Director
Ali J. Satvat[(1)]	37	Director
August J. Troendle, M.D.	58	Director
Mats Wahlström[(1)(3)]	59	Director
Mary T. Szela[(2)(3)]	51	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

Executive Officers

Dennis M. Lanfear is our co-founder and has served as our President and Chief Executive Officer and as a member of our board of directors since our inception in September 2010. Mr. Lanfear previously was President of InteKrin Therapeutics Inc., a biopharmaceutical company, from 2005 to May 2010. Prior to that, Mr. Lanfear served in various senior leadership roles at Amgen Inc., a biopharmaceutical company from 1986 to 1999. While at Amgen, Mr. Lanfear had key leadership positions in the Process Development department, which under his management became an area of key strategic advantage for Amgen. Mr. Lanfear has also held senior leadership roles in several product development programs including those for growth factors, somatotrophins and neurotrophins and directed efforts from preclinical studies to Phase 3 clinical trials at Amgen. Mr. Lanfear holds B.S. degrees in Chemical Engineering and Biochemistry from Michigan State University and an M.B.A. from the Anderson School of Management at the University of California, Los Angeles. We believe Mr. Lanfear is qualified to serve on our board of directors because of his background and various leadership roles in the biopharmaceutical field.

Jean-Frédéric Viret, Ph.D. has served as the Company's Chief Financial Officer since September 2014. Previously, Dr. Viret was Chief Financial Officer at diaDexus, Inc., a biopharmaceutical company, from February 2012 to September 2014. Prior to that, Dr. Viret was Chief Financial Officer at XDx, Inc. (now CareDx, Inc.), a privately held molecular diagnostics company, from December 2009 to January 2012. From March 2009 to December 2009, Dr. Viret served as the President of JV Consulting, a private consulting firm that provided accounting, public company compliance and other financial consulting services to technology companies. Prior to that time, Dr. Viret served in various capacities at Anesiva, Inc. (previously known as Corgentech Inc.), a public biopharmaceutical company, most recently as a finance consultant from February 2009 to May 2009. Dr. Viret served as Anesiva's Vice President and Chief Financial Officer from April 2008 to February 2009 and as its Vice President, Finance from August 2006 to February 2008. Dr. Viret held various positions in finance in Anesiva from December 2002 to August 2006 and at Tularik Inc. from March 2000 to November 2002. He held

various positions in the business assurance services of PricewaterhouseCoopers LLP from September 1997 to March 2000. Dr. Viret has served on the board of trustees of the International School of the Peninsula in Palo Alto, California since September 2011, where he is a member of the finance, investment and audit committees. Dr. Viret received a B.S. in Engineering from the Institut National Polytechnique de Lorraine, an M.B.A. from Cornell University and a Ph.D. in Plant Molecular Biology from Université Louis Pasteur (Strasbourg I). He was a visiting fellow at Harvard University and a postdoctoral fellow at the Massachusetts Institute of Technology. As described above, Dr. Viret held various positions with Anesiva, Inc. (previously known as Corgentech Inc.), including as a finance consultant from February 2009 to May 2009, Vice President and Chief Financial Officer from April 2008 to February 2009, Vice President, Finance from August 2006 to February 2008, and various other positions from December 2002 to August 2006. Anesiva, Inc. filed a voluntary petition for bankruptcy in December 2009. Except as described in the preceding sentence, no other event has occurred during the past 10 years requiring disclosure pursuant to Item 401(f) of Regulation S-K of the Securities Act of 1933, as amended, or the Securities Act.

Barbara K. Finck, M.D. has served as our Chief Medical Officer since July 2013 and served as Senior Vice President from July 2012 to July 2013. Dr. Finck previously served as Senior Vice President and Chief Medical Officer of NKT Therapeutics Inc., a biopharmaceutical company, from September 2010 to July 2012. Prior to that, from June 2007 to June 2010, Dr. Finck served as Senior Vice President of Research and Development and Chief Medical Officer at Osprey Pharmaceuticals U.S.A., Inc., a biopharmaceutical company. Prior to that, Dr. Finck served as an executive for various biopharmaceutical companies. Dr. Finck has a B.A. in Physiological Psychology from the University of California, Santa Barbara and received her M.D. from the University of California, San Francisco School of Medicine. She is board certified in internal medicine and rheumatology.

Alan C. Herman, Ph.D. has served as our Chief Scientific Officer since April 2011. Dr. Herman previously founded and served as Chief Executive Officer of WindRose Analytica, Inc., a contract analytical laboratory. In May 2009, WindRose Analytica was acquired by Althea Technologies, Inc., a biologic manufacturing company. Dr. Herman served as Chief Scientific Officer and Vice President of Product Development at Althea Technologies from May 2009 to April 2011. Prior to that, Dr. Herman served as Senior Director of Quality Control for Tercica, Inc., a biopharmaceutical company. In 1989 Dr. Herman joined Amgen where he started the Analytical Research and Development Department until May 2009. In 1984, he joined Genentech where he worked first in process development and later in pharmaceutics. During his time at Genentech, Dr. Herman worked on a number of products, including human growth hormone, tissue plasminogen activator and interferon. Dr. Herman started his career at Merck, where he worked on a recombinant hepatitis B vaccine. Dr. Herman received his B.S. and M.S. degrees in Biology at Indiana University of Pennsylvania. He received a Ph.D. in Microbiology from Duke University and did his post-doctoral work in oncogenic virus structure at Duke University Medical Center under Dr. Dani Bolognesi.

Michael A. Nazak is our Senior Vice President of Finance & Administration and has been employed by us since April 2011. Mr. Nazak was previously the Senior Director of Finance & Accounting at InteKrin Therapeutics Inc., a biopharmaceutical company, from April 2008 to April 2011. Prior to that, Mr. Nazak also served as the Corporate Controller for Reliant Technologies, Inc., a developer and manufacturer of medical laser devices, from May 2005 to April 2008 and as a Senior Director of Finance & Corporate Controller at Connetics Corporation, a then publicly-traded specialty pharmaceutical company, from February 2001 to January 2005. Mr. Nazak also held Corporate Controller and other finance and accounting positions at Cygnus Solutions (a Red Hat company), Raychem Corporation and MIPS Computer Systems, and was previously an auditor with Coopers & Lybrand LLP. Mr. Nazak holds a B.S. degree in Business Administration with a Concentration in Accounting from San Jose State University.

Peter K. Watler, Ph.D. has served as our Chief Technical Officer since June 2014. Dr. Watler also has served as our Senior Vice President of Process Sciences since March 2012. Dr. Watler was previously the Principal Consultant and Chief Technology Officer of Hyde Engineering Consulting, a global process system design and consulting organization, from January 2007 to May 2012. Previously, Dr. Watler also held various process engineering roles at VaxGen, a biopharmaceutical company, serving as its Vice President of

Manufacturing Operations from January 2006 to January 2007 and Senior Director of Manufacturing from August 2002 to December 2005. Prior to that, Dr. Watler worked at Amgen as an Associate Director of Pilot Plant Engineering from June 2000 to August 2002 and an Engineer and Manager from June 1990 to June 2000. Dr. Watler received his B.S. and M.S. degrees in Chemical Engineering from the University of Toronto and a Ph.D. in Chemical Engineering from Yamaguchi University.

Board Composition

James I. Healy, M.D., Ph.D. has been a member of our board of directors since February 2014. Dr. Healy has been a General Partner of Sofinnova Ventures, a venture capital firm, since June 2000. Prior to June 2000, Dr. Healy held various positions at Sanderling Ventures, Bayer Healthcare Pharmaceuticals (as successor to Miles Laboratories) and ISTA Pharmaceuticals, Inc. Dr. Healy is currently on the board of directors of Amarin Corporation plc, Hyperion Therapeutics, Inc., InterMune, Inc., and several private companies. Previously, he served as a board member of Anthera Pharmaceuticals, Inc., Durata Therapeutics, Inc., CoTherix, Inc., Movetis NV and several private companies. Dr. Healy holds an M.D. and a Ph.D. in Immunology from the Stanford University School of Medicine and holds a B.A. in Molecular Biology and a B.A. in Scandinavian Studies from the University of California, Berkeley. We believe Dr. Healy is qualified to serve on our board of directors due to his extensive experience investing and working in the pharmaceuticals industry and extensive service on the boards of directors of other life sciences companies.

V. Bryan Lawlis, Ph.D. has served on our board of directors since May 2014 and prior to that he served as the chairman of our Scientific Advisory Board from November 2012 until he joined the board in May 2014. Since August 2011 he has served as the President and Chief Executive Officer of ltero Biopharmaceuticals, LLC, a privately held limited liability holding company which has held the assets of ltero Biopharmaceuticals, Inc., or Itero Biopharmaceuticals, since August 2011. Dr. Lawlis co-founded and served as President and Chief Executive Officer of Itero Biopharmaceuticals, from 2006 until it discontinued operations in August 2011. Prior to that, he served as President and Chief Executive Officer of Aradigm Corporation, a pharmaceutical company, from August 2004, and served on its board of directors from February 2005, continuing in both capacities until August 2006. Dr. Lawlis served as Aradigm Corporation's President from June 2003 to August 2004 and as its Chief Operating Officer from November 2001 to June 2003. Previously, Dr. Lawlis co-founded Covance Biotechnology Services, Inc., a contract biopharmaceutical manufacturing company, served as its President and Chief Executive Officer from 1996 to 1999, and served as Chairman from 1999 to 2001 when it was sold to Diosyth RTP, Inc., a division of Akzo Nobel, NV. From 1981 to 1996, Dr. Lawlis was employed at Genencor, Inc., a biotechnology company, and Genentech. His last position at Genentech was Vice President of Process Sciences. Dr. Lawlis has served on the boards of directors of two privately held companies, Sutro Biopharmaceuticals, Inc. since 2003 and Reform Biologics, LL since February. He has also served on the boards of directors at BioMarin Pharmaceutical Inc., a public biopharmaceutical company since June 2007, Geron Corporation, a public biopharmaceutical company, since March 2012 and Kalobios Pharmaceuticals, Inc., a public biopharmaceutical company, since August 2013. Dr. Lawlis holds a B.A. in Microbiology from the University of Texas at Austin and a Ph.D. in Biochemistry from Washington State University. We believe Dr. Lawlis is qualified to serve on our board of directors due to his longtime involvement in the biotechnology industry and extensive service as a director or officer of other life sciences companies.

Christos Richards has served as a member of our board of directors since March 2011. Mr. Richards has been partner at Catalyst Advisors LLC, an executive search firm, since January 2014. Prior to that, from October 1998 to January 2014, Mr. Richards held positions of increasing responsibility at Levin and Company, an executive search and consulting firm. From January 2009 to January 2014, Mr. Richards served as Chief Executive Officer of Levin and Company. Mr. Richards served as a Principal of Stanton Chase International from July 1996 to October 1998. From 1987 to July 1996, Mr. Richards founded and served as Chief Executive Officer of Career Connection/Nexium Inc. Mr. Richards was educated in Switzerland and is fluent in German and Swiss German. Mr. Richards brings to the board experience in the recruitment of numerous executive level professionals, including a diverse range of C-level and VP-level executives. We believe Mr. Richards is qualified to serve on our board of directors based on his extensive senior management experience and expertise.

Ali J. Satvat has served as a member of our board of directors since May 2014. Mr. Satvat has been a Director on the Health Care industry team within KKR's Private Equity platform since January 2012. Mr. Satvat has served as a member of the board of directors of PRA Health Sciences, Inc. since September 2013. Prior to joining KKR, Mr. Satvat was a Principal with Apax Partners, where he invested in healthcare from 2006 to 2012, served as a director of Chiron Holdings (Kinetic Concepts, Inc. and LifeCell Corporation) from 2011 to 2012 and TZ Holdings (The TriZetto Group, Inc.) from 2008 to 2012 and was actively involved with many of the firm's successful growth investments. Previously, Mr. Satvat held various positions with Johnson & Johnson Development Corporation, Audax Group and The Blackstone Group, where he was involved in a broad range of transactions. Mr. Satvat holds an A.B. in History and Science from Harvard College and an M.B.A. in Health Care Management and Entrepreneurial Management from the Wharton School of the University of Pennsylvania. Mr. Satvat also serves on the board of directors of the Healthcare Private Equity Association. We believe Mr. Satvat is qualified to serve on our board of directors based on his extensive investment experience in the health care industry.

August J. Troendle, M.D. has served as a member of our board of directors since March 2011. Dr. Troendle has been the Chief Executive Officer, President and Chairman of Medpace, Inc., a clinical research organization, since its inception in 1992. Dr. Troendle previously worked for Sandoz (Novartis) where he was responsible for the clinical development of lipid altering agents. His experience as Medical Review Officer in the Division of Metabolic and Endocrine Drug Products at the FDA give him insight into the regulatory environment for development of drugs in the metabolic and cardiovascular fields. He also formerly served on the board of directors of Xenon Pharmaceuticals Inc. from 2009 to 2010. Dr. Troendle received his M.D. from the University of Maryland, School of Medicine. We believe Dr. Troendle is qualified to serve on our board of directors based on his experience in clinical research and expertise in regulatory oversight.

Mats Wahlström has served as a member of our board of directors since January 2012. He currently serves as the Chief Executive Officer and Chairman of KMG Capital Partners, LLC since April 2012, Chairman of PCI | HealthDev since August 2010 and Chairman of Caduceus Medical Holdings, LLC since August 2010. He has served on the boards of directors of Getinge AB since March 2012 and Alteco Medical AB since October 2012. He served as a director of Health Grades, Inc., a NASDAQ-listed healthcare ratings company, from March 2009 through its sale to a private equity firm in October 2010, and as a director of Zynex Inc., an over-the-counter medical device manufacturer, from October 2010 through January 2014. From January 2004 to December 2009, Mr. Wahlström served as co-CEO of Fresenius Medical Care North America and a member of the management board at Fresenius Medical Care AG & Co. KGAA. From November 2002 to December 2009, he served as President and CEO of Fresenius Medical Services, which operates more than 1,700 dialysis clinics in the U.S. Prior to joining Fresenius Medical Care in 2002, he held various positions at Gambro AB in Sweden, including President of Gambro North America and Chief Executive Officer of Gambro Healthcare Inc. as well as Chief Financial Officer of the Gambro Group. Mr. Wahlström has a B.S. degree in Economics and Business Administration from University of Lund, Sweden. We believe Mr. Wahlström is qualified to serve on our board of directors because of his extensive management and director experience in the life sciences and healthcare sectors.

Mary T. Szela has served as a member of our board of directors since July 2014. Ms. Szela has served as the Chief Executive Officer of Melinta Therapeutics, Inc., an antibiotic development company, since April 2013. She has also served on the board of directors of Melinta since January 2013. Previously, Ms. Szela joined Abbott Laboratories in 1987 and has held several leadership positions, including Senior Vice President of Global Strategic Marketing from January 2010 to May 2012 and Senior Vice President of U.S. Pharmaceuticals from September 2008 to December 2009. Prior to Abbott, Ms. Szela worked for the University of Illinois Hospital. She has served on the board of directors of Suneva Medical, Inc. since July 2012. Ms. Szela earned a B.S. in Nursing and an M.B.A. from the University of Illinois. We believe Ms. Szela is qualified to serve on our board of directors because of her extensive management experience and expertise in pharmaceutical company operations.

Scientific Advisory Board

We maintain a scientific advisory board consisting of the members identified below. Our scientific advisory board meets on a quarterly basis and is comprised of industry and academic experts that have extensive experience in the analysis, research and development, manufacture, regulatory approval and commercialization of complex biological therapeutics, including experience relating to clinical and preclinical evaluation of these therapeutics. We consult with our scientific advisory board on a variety of matters pertaining to our lead and future pipeline product candidates, including, for example, formulation development, upstream and downstream protein manufacture, clinical or preclinical development, protein analysis, regulatory matters and intellectual property evaluation.

V. Bryan Lawlis, Ph.D. is also a member of our board of directors.

Tsutomu Arakawa, Ph.D. is the President and Director of Protein Chemistry of Alliance Protein Laboratories. Before co-founding Alliance Protein Laboratories in 1998, Dr. Arakawa spent over 14 years in Protein Chemistry at Amgen as Research Scientist and Lab Head. Prior to working at Amgen, Dr. Arakawa was a postdoctoral fellow at Washington University studying tubulin self-assembly and its interactions with actin. During his earlier postdoctoral studies with Serge Timasheff at Brandeis, he studied mechanisms of solvent effects on protein stability and solubility and helped to develop the preferential interaction theory to explain the stabilizing effects of excipients such as sugars. He received his Ph.D. in Biochemistry in 1977 from Osaka Prefectural University.

William F. Bennett, Ph.D. is a Principal of Bioscope Associates LLC. Until 2009, he was Sr. Director of Regulatory Policy at Genentech and led the Genentech Biosimilars working group. He was at Genentech for 18 years altogether, having held high-level positions in Research, Bioprocess Development and Regulatory Affairs. He helped guide Genentech over many years through his participation on the Research Review, Product Development, Process Development Review and Appointments and Promotions Committees. During a period away from Genentech, as CSO at Sensus Corporation, he led the research and development of Somavert (a treatment for acromegaly) and was the Vice President of Research at Cor Therapeutics and the Senior Vice President of R&D at Hyseq/Nuvelo. He returned to Genentech in 2003. Dr. Bennett has a B.A. in Chemistry from TCU and a Ph.D. in Biochemistry from the University of Texas Southwestern Medical School. He was named a Distinguished Alumnus of TCU in 2010 and serves on the TCU Science & Engineering Advisory Board.

Andrew J.S. Jones, D. Phil. spent 23 years from 1981 to 2004 at Genentech, initially as a scientist in the Protein Biochemistry Department and the Medical and Analytical Chemistry Department, of which he was the founding Director, from 1983 to 1987. He was also in the Pharmaceutical R&D Department from 1987 to 1994. Since 2004, Dr. Jones has worked as a consultant to various biopharmaceutical companies. He was the Head of the Scientific Advisory Board for Itero Biopharmaceuticals from 2009 to 2011. Dr. Jones obtained his B.A. (Honors) degree in Biochemistry from St. John’s College, Oxford University. He received his D. Phil. degree in Biology from the University of York and performed postdoctoral research at McMaster University, under a Multiple Sclerosis Society of Canada Postdoctoral Research Fellowship and also at Cornell University.

Christos Mantzoros, M.D., D.Sc., Ph.D. h.c. mult. is a Professor of Medicine at Harvard Medical School and at the Boston University School of Medicine. He serves as the Chief of Endocrinology, Diabetes and Metabolism at the Boston VA Healthcare System. Dr. Mantzoros obtained an M.D. and D. Sc. from the University of Athens Medical School, a Master’s in Clinical Epidemiology from Harvard School of Public Health and a Master’s in Medical Sciences (Clinical Investigation) from Harvard Medical School. Dr. Mantzoros was also awarded two honorary Ph.D. degrees from Aristotle University of Thessaloniki in 2012 and the University of Patras in 2014. He has received board certification in Internal Medicine, Endocrinology, Diabetes and Metabolism and in Clinical Nutrition. Dr. Mantzoros is the scientific co-founder of InteKrin Metabolic Therapeutics. He serves as the Editor-in-Chief of Metabolism, Clinical and Experimental, and is on the Editorial Board of several journals.

James A. Miller, Ph.D. is currently an independent consultant to the biopharmaceutical industry. Dr. Miller was recently Vice President of Process Development at Insmed, Inc., where he was involved with the sale of the

company to Merck, Inc., with whom he continued to work as Senior Director of Process Development at the newly formed entity, Merck Boulder. From 2000 to 2003, Dr. Miller was Executive Vice President and co-founder of Saronyx, Inc., a company that developed web-enabled interfaces for data exchange between pharmaceutical development specialists and contract research organizations. From 1998 to 2000, he was Senior Director of Preclinical Development at Regeneron Pharmaceuticals, Inc., where he was responsible for the departments of pharmacology, pharmacokinetics, analytical assay and drug formulation/stability. From 1987 to 1998, Dr. Miller worked at Amgen in a number of roles, including founding the neurobiology department and undertaking leadership of the BDNF development team. Dr. Miller received his B.S. degree in Biology from the University of Oregon and a Ph.D. in Chemistry from the California Institute of Technology. He also received postdoctoral training in Physiology at the University of Colorado Medical School and the Yale University School of Medicine.

Carl Ware, Ph.D. is a Director and Professor at the Infectious and Inflammatory Disease Center at the Sanford-Burnham Medical Research Institute. Dr. Ware is a leading immunologist and virologist internationally recognized for his scientific discoveries and advances in the study of the immune system that are leading to new therapeutics for autoimmune and viral diseases and cancer. Dr. Ware attended the University of California, Irvine, where he began his scientific research career by studying tumor destroying cytokines with Professor Gale A. Granger. From 1979 to 1981, Dr. Ware studied membrane biochemistry and the complement system with Dr. W. Kolb at the University of Texas Health Science Center in San Antonio. In 1981, Dr. Ware joined the research groups of Dr. Jack Strominger and Dr. Tim Springer at Dana-Farber Cancer Institute, Harvard Medical School. Dr. Ware established his own research laboratory in 1982 as an assistant professor of Immunology in the Biomedical Sciences Program at the University of California, Riverside, advancing to full professor in 1993. In 1996, Dr. Ware joined the prestigious La Jolla Institute for Allergy and Immunology as head of the Division of Molecular Immunology. Dr. Ware holds a joint appointment as professor in the Department of Biology at the University of California, San Diego. In 2010, Dr. Ware was recruited to the Sanford Burnham Medical Research Institute in La Jolla as director of the Infectious and Inflammatory Diseases Center. Dr. Ware received his Ph.D. in Molecular Biology and Biochemistry in 1979 from University of California, Irvine.

Director Independence

Our board of directors currently consists of eight members. Our board of directors has determined that all of our directors, other than Messrs. Lanfear and Richards and Dr. Troendle, qualify as “independent” directors in accordance with The NASDAQ Global Market, or NASDAQ, listing requirements. Mr. Lanfear is not considered independent because he is an employee of our company. Mr. Richards is not considered independent because he has served as an executive officer of Catalyst Advisors, LP and Levin & Company which provided executive search services to us. Dr. Troendle is not considered independent because he is a founder and chief executive officer of Medpace, Inc., a company that has provided clinical research services to us. The NASDAQ independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us. In addition, as required by NASDAQ rules, our board of directors has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director’s business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be

elected to serve from the time of election and qualification until the third annual meeting following election. Effective upon the consumption of this offering, our directors will be divided among the three classes as follows:

- the Class I directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2015;
- the Class II directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2016; and
- the Class III directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2017.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company.

Voting Arrangements

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

- the holders of a majority of our Series A convertible preferred stock, voting separately as a single class, have the right to elect two directors to our board of directors;
- Sofinnova Venture Partners VII, L.P. has the right to nominate one director to our board of directors for so long as Sofinnova Venture Partners VII, L.P. (or its affiliates) hold shares of our Series B convertible preferred stock;
- KMG Capital Partners, LLC has the right to nominate one director to our board of directors for so long as KMG Capital Partners, LLC (or its affiliates) hold shares of our Series B convertible preferred stock;
- KKR Biosimilar L.P. has the right to nominate one director to our board of directors for so long as KKR Biosimilar L.P. (or its affiliates) hold shares of our Series C convertible preferred stock;
- Lilly Ventures Fund I, LLC has the right to nominate one director to our board of directors;
- our then-incumbent Chief Executive Officer has the right to be nominated to serve on our board of directors;
- two directors must be acceptable to the majority of the other then-serving directors; and
- the holders of a majority of our common stock, voting separately as a single class, have the right to elect one director to our board of directors who shall be the then-current Chief Executive Officer.

The holders of our common stock and convertible preferred stock who are parties to the third amended and restated voting agreement are obligated to vote for such designees. The provisions of this voting agreement will terminate upon the consummation of this offering and there will be no further contractual obligations regarding the election of our directors. Our directors hold office until their successors have been elected and qualified or appointed, or the earlier of their death, resignation or removal.

Leadership Structure of the Board

Our bylaws and corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of Chairman of the Board and Chief Executive Officer and/or the implementation of a lead director in accordance with its determination that utilizing one or the other structure would be in the best

interests of our company. Mr. Lanfear currently serves as the Chairman of the Board and Mr. Wahlström currently serves as the lead independent director of the board. All of our directors are encouraged to make suggestions for board of director's agenda items of pre-meeting materials. In addition, in his role as lead independent director, Mr. Wahlström presides over the executive sessions of the board of directors in which Mr. Lanfear, as the Chief Executive Officer, does not participate and serves as a liaison to management on behalf of the independent members of the board of directors.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure. Our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures and considers and approves or disapproves any related-persons transactions. The audit committee also monitors compliance with legal and regulatory requirements. Our nominating and governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee:

- appoints our independent registered public accounting firm;
- evaluates the independent registered public accounting firm's qualifications, independence and performance;
- determines the engagement of the independent registered public accounting firm;
- reviews and approves the scope of the annual audit and the audit fee;
- discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements;
- approves the retention of the independent registered public accounting firm to perform any proposed permissible audit and non-audit services;
- monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by law;

- is responsible for reviewing our consolidated financial statements and our management's discussion and analysis of financial condition and results of operations to be included in our annual and quarterly reports to be filed with the Securities and Exchange Commission, or SEC;
- reviews our critical accounting policies and estimates; and
- annually reviews the audit committee charter and the committee's performance.

The current members of our audit committee are Mats Wahlström, James I. Healy, M.D., Ph.D. and Ali J. Satvat. Mr. Wahlström serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and The NASDAQ Global Market. Our board of directors has determined that Mats Wahlström is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of The NASDAQ Global Market. Under the rules of the SEC and The NASDAQ Global Market, members of the audit committee must also meet heightened independence standards. However, a minority of the members of the audit committee may be exempt from the heightened audit committee independence standards for one year from the date of effectiveness of the registration statement of which this prospectus forms a part. Our board of directors has determined that each of Messrs. Wahlström and Satvat and Dr. Healy are independent under the applicable rules of the SEC and The NASDAQ Global Market. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market.

Compensation Committee

Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees. The compensation committee reviews and recommends corporate goals and objectives relevant to compensation of our President and Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and recommends to our board of directors the compensation of these officers based on such evaluations. The compensation committee also recommends to our board of directors the issuance of stock options and other awards under our stock plans. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance by the compensation committee with its charter. The current members of our compensation committee are James I. Healy, M.D., Ph.D., V. Bryan Lawlis, Ph.D. and Mary T. Szela. Dr. Healy serves as the chairperson of the committee. Each of the members of our compensation committee is independent under the applicable rules and regulations of The NASDAQ Global Market, is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and is an "outside director" as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m). The compensation committee operates under a written charter.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The current members of our nominating and corporate governance committee are Mats Wahlström, Christos Richards and Mary T. Szela. Mr. Wahlström serves as the chairperson of the committee. Each of Mr. Wahlström and Ms. Szela is an independent director under the applicable rules and regulations of The NASDAQ Global Market relating to nominating and corporate governance committee independence. The nominating and corporate governance committee operates under a written charter.

Compensation Committee Interlocks and Insider Participation

During 2013, our compensation committee consisted of Christos Richards, Graham K. Crooke, MB.BS. and August J. Troendle, M.D. Mr. Richards served as the chairperson of the compensation committee. None of the members of our compensation committee have at any time been one of our officers or employees. None of our executive officers currently serves, or has in the past fiscal year served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers on our board of directors or compensation committee.

Board Diversity

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

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience in the industries in which we compete;
- experience as a board member or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical and mature business judgment.

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

Code of Business Conduct and Ethics

Prior to the consummation of this offering, we will have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Following the consummation of this offering, the code of business conduct and ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation, which will become effective immediately prior to the consummation of this offering, contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;

- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered or intend to enter into indemnification agreements with each of our directors, officers and certain employees before the completion of this offering. These agreements will provide for the indemnification of our directors, officers and certain employees for all reasonable expenses and liabilities incurred in connection with any action or proceeding brought against them by reason of the fact that they are or were our agents. We believe that these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. This description of the limitation of liability and indemnification provisions of our amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to the registration statement, of which this prospectus is a part. We will also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Director Compensation

The following table presents the total compensation for each person who served as a non-employee member of our board of directors during 2013. Other than as set forth in the table and described more fully below, in 2013 we did not pay any compensation, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of the other non-employee members of our board of directors.

In 2013, we paid a cash retainer to Michael Lazarus, M.D., in the amount of $25,000. In connection with S. Edward Torres' appointment to our board of directors, in July 2013, we awarded him an option to purchase 50,000 shares of our common stock, which vests as to 1/48th of the shares subject to the option monthly. None of our other non-employee directors received any compensation from us in 2013.

2013 Director Compensation Table

The following table sets forth information for the year ended December 31, 2013 regarding the compensation awarded to, earned by or paid to our non-employee directors:

Name[1]	Fees Earned or Paid in Cash($)	Option Awards[2][3]($)	All Other Compensation($)	Total($)
Christos Richards	—	—	—	—
Michael Lazarus, M.D.[4]	$25,000	—	—	$25,000
Graham K. Crooke, MB.BS.[4]	—	—	—	—
S. Edward Torres[4]	—	63,806	—	63,806
August J. Troendle, M.D.	—	—	—	—
Mats Wahlström	—	—	—	—

(1) Mr. Lanfear, who is President and Chief Executive Officer, receives no compensation for his service as a director and, consequently, is not included in this table. The compensation received by Mr. Lanfear as an employee during 2013 is presented in the 2013 Summary Compensation Table in "Executive Compensation."

(2) The amounts reported in the Option Awards column represent the grant date fair value of the stock options granted to the non-employee members of our board of directors during 2013 as computed in accordance with ASC 718. The assumptions used in calculating the grant date fair value of the stock options reported in the Option Awards column are set forth in Note 10 to the audited consolidated financial statements included in this prospectus. The amounts reported in this column exclude the impact of estimated forfeitures related to service-based vesting conditions. Note that the amounts reported in this column reflect the accounting cost for these stock options and do not correspond to the actual economic value that may be received by the non-employee members of our board of directors from the options.

(3) As of December 31, 2013, Michael Lazarus, M.D., Christos Richards, S. Edward Torres, August J. Troendle, M.D., Graham K. Crooke, MB.BS. and Mats Wahlström held options covering 50,000 shares each of our common stock, respectively.

(4) Resigned from the board of directors prior to June 30, 2014.

In , 2014, our board of directors approved a compensation policy for our non-employee directors to be effective in connection with the consummation of this offering, or the Post-IPO Director Compensation Program. Pursuant to the Post-IPO Director Compensation Program, our non-employee directors will receive cash compensation as follows:

- Each non-employee director will receive an annual cash retainer in the amount of $ per year.
- The chairperson of the audit committee will receive additional annual cash compensation in the amount of $ per year for such chairperson's service on the audit committee. Each non-chairperson member of the audit committee will receive additional annual cash compensation in the amount of $ per year for such member's service on the audit committee.
- The chairperson of the compensation committee will receive additional annual cash compensation in the amount of $ per year for such chairperson's service on the compensation committee. Each non-chairperson member of the compensation committee will receive additional annual cash compensation in the amount of $ per year for such member's service on the compensation committee.
- The chairperson of the nominating and corporate governance committee will receive additional annual cash compensation in the amount of $ per year for such chairperson's service on the nominating and corporate governance committee. Each non-chairperson member of the nominating and corporate governance committee will receive additional annual cash compensation in the amount of $ per year for such member's service on the nominating and corporate governance committee.

Under the Post-IPO Director Compensation Program, each non-employee director serving on our board of directors upon the consummation of this offering will receive a stock option grant covering shares of our common stock. In addition, non-employee directors will receive a stock option grant covering shares of our common stock upon a director's initial appointment or election to our board of directors and an annual stock option grant covering shares of our common stock on the date of each annual stockholder's meeting thereafter, beginning in 2015. We expect each stock option granted under the Post-IPO Director Compensation Program will vest in substantially equal annual installments on each anniversary of the applicable grant date, subject to continued service on our board of directors.

EXECUTIVE COMPENSATION

The following is a discussion and analysis of compensation arrangements of our named executive officers, or NEOs. This discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. As an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2013 were as follows:

- Dennis M. Lanfear, President, Chief Executive Officer and Chairman of the Board;
- Barbara K. Finck, M.D., Chief Medical Officer;
- Alan C. Herman, Ph.D., Chief Scientific Officer;
- Douglas H. Farrar, former Chief Technology Officer; and
- Stephen C. Glover, former Chief Business Officer.

Summary Compensation

The following table shows information regarding the compensation of our named executive officers for services performed in the year ended December 31, 2013.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards($)	All Other Compensation ($)[1]	Total ($)
Dennis M. Lanfear	2013	$400,000	$337,625	—	$638,063[2]	$ 3,921	$1,379,609
President, Chief Executive Officer and Chairman of the Board							
Barbara K. Finck, M.D.	2013	330,375	112,625	—	394,554[2]	321	837,875
Chief Medical Officer							
Alan C. Herman, Ph.D.	2013	296,120	105,115	—	121,232[2]	321	522,788
Chief Scientific Officer							
Douglas H. Farrar	2013	290,926	75,480	—	179,041[2]	311	545,758
Former Chief Technology Officer[5]							
Stephen C. Glover	2013	103,846	83	$795,285[3]	1,267[4]	188,543	1,089,024
Former Chief Business Officer [6]							

(1) Amounts in this column consist of the following:

	Non-cash holiday gifts ($)	Tax gross up for non-cash holiday gifts ($)	Reimbursement of Company-sponsored health club membership fees ($)	Reimbursement for personal concierge physician services ($)	Separation-related payments ($)
Dennis M. Lanfear	$ 212	$ 109	$ 1,800	$ 1,800	—
Barbara K. Finck, M.D.	212	109	—	—	—
Alan C. Herman, Ph.D.	212	109	—	—	—
Douglas H. Farrar	212	99	—	—	—
Stephen C. Glover	—	—	450	—	$ 188,093

For Mr. Glover, separation-related payments include: (i) $150,000 in consulting fees paid to Mr. Glover's company MedicaRX pursuant to a consulting agreement entered into between the Company and MedicaRX in connection with Mr. Glover's termination; (ii) $16,638 representing continued healthcare payments pursuant to Mr. Glover's separation agreement; and (iii) $21,455 representing the forgiveness of the unpaid principal balance of a promissory note entered into between the Company and Mr. Glover.

(2) Amount represents the grant date fair value of options granted during year 2013 as calculated in accordance with ASC Topic 718. See Note 10 of the audited consolidated financial statements included in this prospectus for the assumptions used in calculating these amounts.
(3) Amount represents the fair value attributable to stock award acceleration pursuant to Mr. Glover's separation agreement.
(4) Amount represents the fair value attributable to the extended exercisability of stock options pursuant to Mr. Glover's separation agreement.
(5) Mr. Farrar's employment with the Company terminated on June 30, 2014.
(6) Mr. Glover's employment with the Company terminated on March 31, 2013.

Outstanding Equity Awards at 2013 Fiscal Year End

The following table sets forth all outstanding equity awards held by each of the named executive officers as of December 31, 2013.

		Option Awards[1][2]				Stock Awards	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Dennis M. Lanfear	10/12/2010[3][4]	50,000	—	$0.005	10/11/2020		
	10/15/2010[5]					708,334	$1,276,417[6]
	04/19/2011	367,912	183,956	0.25	07/17/2021		
	07/20/2013[4]	52,083	447,917	0.85	11/21/2023		
Barbara K. Finck, M.D.	07/02/2012	71,541	130,459	1.25	02/27/2023		
	07/30/2013[4]	15,625	134,375	0.85	11/21/2023		
Alan C. Herman, Ph.D.	04/19/2011	117,274	58,638	0.25	07/17/2021		
	07/30/2013[4]	9,895	85,105	0.85	11/21/2023		
Douglas H. Farrar	04/19/2011	128,769	64,385	0.25	07/17/2021[7]		
	07/30/2013[4]	14,614	125,686	0.85	11/21/2023[7]		
Stephen C. Glover	04/19/2011	92,552	—	0.25	09/30/2014		

(1) Each stock option was granted pursuant to our 2010 Equity Incentive Plan.
(2) Unless otherwise noted, options vest as to 25% of the total number of shares subject to the option on the first anniversary of the vesting commencement date and as to 1/48th of the total number of shares subject to the option in monthly installments over the three year period thereafter, subject to continued service with our company through the applicable vesting dates and accelerated vesting under certain circumstances, as described under the section entitled "Terms and Conditions of Employee Arrangements with our NEOs" below.

(3) Contains an early exercise provision permitting the executive to exercise the option prior to vesting, with any unvested shares subject to repurchase by us at the exercise price paid until the shares vest in accordance with the vesting schedule of the option. The option will become fully vested as of immediately prior to the consummation of an acquisition of the Company.
(4) Vests as to 1/48th of the total number of shares subject to the option in monthly installments over four years measured from the applicable vesting dates.
(5) The Company's right of repurchase with respect to these shares lapses as to 1/48th of the total number of shares issued on each monthly anniversary of October 15, 2010 and shall fully lapse upon a change in control of the Company.
(6) Because our common stock was not traded on a public market on December 31, 2013, the market value has been determined based on a per-share common stock value of $1.802, which was the latest per share value of our common stock determined by our board of directors as of December 31, 2013.
(7) Represents the term of the option as of December 31, 2013. Pursuant to Mr. Farrar's separation agreement, the option will remain exercisable until no later than June 30, 2015.

Narrative to 2013 Summary Compensation Table and Outstanding Equity Awards at 2013 Fiscal Year End

Terms and Conditions of Employee Arrangements with our NEOs

Offer Letter Agreements

We have entered into agreements with each of the NEOs in connection with his or her employment with us. These agreements set forth the terms and conditions of employment of each NEO, including base salary, annual bonus, initial equity award grants and standard employee benefit plan participation. Our board of directors or the compensation committee reviews each NEO's base salary from time to time to ensure compensation adequately reflects the NEO's qualifications, experience, role and responsibilities.

For fiscal year 2013, Messrs. Lanfear and Farrar, and Dr. Herman received annual base salaries of $400,000, $275,000 and $287,500, respectively. Prior to his termination of employment with us on March 31, 2013, Mr. Glover's annual base salary in effect was $300,000. In addition, Messrs. Lanfear and Farrar, and Dr. Herman were eligible for annual bonuses targeted at 50%, 25%, and 25%, respectively. In connection with her promotion from Senior Vice President, Clinical Development Inflammatory Diseases to Chief Medical Officer effective as of July 2013, Dr. Finck's annual base salary was increased from $300,000 to $325,000. For 2013, Dr. Finck's annual bonus target was 25% of base salary.

While we do not have a formal bonus program, our board of directors may award discretionary bonuses to reward outstanding performance and continued dedication of our employees. In June 2014, we awarded annual bonuses to our NEOs, other than Mr. Glover, for their contributions to us in 2013 as shown in the "Bonus" column of the Summary Compensation Table above.

Under Mr. Lanfear's offer letter, in the event Mr. Lanfear is terminated without "Cause" (as defined below), other than during the 12-month period commencing upon a "Change of Control" (as defined below), he will receive: (i) 12 months' continuation of base salary, paid in accordance with the Company's normal payroll practices commencing on the 60th day following such termination; (ii) a sum equal to the product of (A) the per month medical and dental coverage premium pursuant to COBRA and (B) 12, to be paid on the 60th day following such termination; (iii) acceleration of vesting of such number of shares subject to any stock options and equity awards that would have become vested in the 12 months immediately following such termination had Mr. Lanfear remained employed with the Company through such period; and (iv) 12 months following such termination in which to exercise vested options. In the event that Mr. Lanfear is terminated without Cause or resigns for "Good Reason" (as defined below), in either case, within the 12-month period commencing upon a Change of Control, then in addition to the foregoing severance payments and benefits, Mr. Lanfear will receive full accelerated vesting of all stock options and equity awards and he will be entitled to six months following such termination in which to exercise vested options. All such severance payments and benefits are subject to the execution and nonrrevocation of a general release of claims against the Company that becomes effective and irrevocable within 60 days of Mr. Lanfear's termination.

Under Dr. Herman's and Mr. Farrar's offer letters, in the event the executive is terminated without Cause, other than during the 12-month period commencing upon a Change of Control, he will receive: (i) six months'

continuation of base salary, paid in accordance with the Company's normal payroll practices commencing on the 60th day following such termination; (ii) a sum equal to the product of (A) the per month medical and dental coverage premium pursuant to COBRA and (B) six, to be paid on the 60th day following such termination; (iii) acceleration of vesting of such number of shares subject to any stock options and equity awards that would have vested in the six months immediately following such termination had the executive remained employed with the Company through such period; and (iv) six months following such termination in which to exercise vested options. In the event that Dr. Herman or Mr. Farrar is terminated without Cause or resigns for Good Reason, in either case, within the 12-month period commencing upon a Change of Control, then in addition to the foregoing severance payments and benefits, he will receive full accelerated vesting of all stock options and equity awards and he will be entitled to six months following such termination in which to exercise vested options. All such severance payments and benefits are subject to the execution of a general release of claims against the Company that becomes effective and irrevocable within 60 days of the executive's termination.

For the purposes of Messrs. Lanfear's and Farrar's and Dr. Herman's offer letters, "Cause" generally means the executive's (i) repeated unexplained or unjustified absence from the Company or gross negligence, willful misconduct or repeated, willful and flagrant insubordination in the performance of the executive's duties to the Company as directed by the board of directors, which behavior remains uncured more than 30 days following written notice from the board of directors of its reasonable belief that there is Cause for the executive's termination under this clause (i); (ii) commission of any act of fraud that is related to the executive's personal gain with respect to the Company; (iii) commission of a felony or a crime causing material harm to the standing and reputation to the Company or affecting the Company in a materially financial way (each of (i), (ii) or (iii) as determined by a unanimous vote of the board of directors); or (iv) the executive's continued failure, 60 days after the board of directors provides written notice to him, to meet performance standards within the executive's control and achievable within the Company's resources, each as reasonably determined by the board of directors and specifying the areas in which the executive's performance must improve.

For the purposes of Messrs. Lanfear's and Farrar's and Dr. Herman's offer letters, "Good Reason" for each of them to resign means the executive's resignation of employment because any of the following occurs without the executive's written consent: (i) the material diminution of the executive's duties and responsibilities; (ii) the material reduction of the executive's base salary (defined as a greater than a ten percent reduction), but excluding reductions in connection with an across-the-board reduction of all executive officers' annual base salaries potential by a percentage at least equal by which the executive's base salary is reduced; or (iii) the material transfer of the executive's principal place of employment with the Company (defined as more than 40 miles from the executive's principal place of employment immediately preceding such change); provided, that a resignation is not with Good Reason unless he gives the Company written notice describing such Good Reason event within 30 days after the event first occurs, such event is not corrected by the Company within 30 days after the Company's receipt of such notice and he terminates the executive's employment no later than 180 days after the expiration of such correction period.

For the purposes of Messrs. Lanfear's and Farrar's and Dr. Herman's offer letters, "Change of Control" means the date of the consummation of (i) the merger or consolidation of the Company by means of any transaction or series of related transactions, provided that the applicable transaction shall not be deemed a Change of Control unless the Company's stockholders constituted immediately prior to such transaction do not hold more than 50% of the voting power of the surviving or acquiring entity (or its parent) immediately following such transaction; (ii) any transaction or series of related transactions to which the Company is a party in which more than 50% of the Company's voting power is transferred (taking into account only voting power resulting from stock held by such stockholders prior to such transaction); or (iii) a sale, lease, transfer, exclusive license or other disposition of substantially all of the assets of the Company; provided, however, that a Change of Control shall not include (x) a merger or consolidation with a wholly-owned subsidiary of the Company, (y) a merger effected exclusively for the purpose of changing the domicile of the Company or (z) any transaction or series of transactions principally for bona fide equity financing purposes in which the Company is the surviving corporation.

Glover Separation Agreement

On March 31, 2013, we entered into a Transition and Separation Agreement with Mr. Glover in connection with his termination of employment with us. Pursuant to the separation agreement, in exchange for a general release of claims against the Company and continued compliance with Mr. Glover's confidentiality agreement, Mr. Glover received: (i) acceleration of 531,250 shares of restricted stock effective on the last day of his consulting agreement which was on September 30, 2013; (ii) the extension of the exercisability of an option to purchase 92,552 shares of Company common stock until September 30, 2014; and (iii) forgiveness of the unpaid principal balance of a promissory note entered into between the Company and Mr. Glover.

Under the separation agreement, Mr. Glover also transitioned into a consulting role with the Company through his company MedicaRX effective April 1, 2013 for a term of six months. Pursuant to the consulting agreement between the Company and MedicaRX, as compensation for the consulting services, MedicaRX received a monthly retainer of $25,000 paid in bi-monthly installments over the course of the consulting period. In return for the consulting services, we also paid to Mr. Glover a lump sum equal to six months of continued healthcare premiums under COBRA.

Farrar Separation Agreement

On June 30, 2014, in connection with his termination of employment, we entered into a letter agreement with Mr. Farrar providing for certain separation benefits in exchange for a general release of claims against the Company and continued compliance with his confidentiality agreement. In accordance with the terms of the letter agreement, the Company entered into a consulting agreement with Flatirons Biotech, Inc. for Mr. Farrar to provide consulting services to the Company from July 1, 2014 to December 31, 2014. The consulting agreement between the Company and Flatirons Biotech, Inc. provides that as compensation for Mr. Farrar's consulting services, Flatirons Biotech, Inc. will receive a monthly retainer of $27,917 over the course of the consulting period.

In addition, Mr. Farrar will continue to vest in his outstanding equity awards while providing consulting services or, if he is terminated without cause, through December 31, 2014, and he will have until six months following the termination of the consulting period to exercise his then-vested equity awards. The Company will reimburse Mr. Farrar's healthcare premiums under COBRA through the earliest of: (i) the last day of the month in which Mr. Farrar terminates the consulting period or the Company terminates the consulting period for cause; (ii) June 30, 2015; (iii) the date Mr. Farrar obtains healthcare coverage through another employer; or (iv) the date Mr. Farrar is otherwise no longer eligible for COBRA.

Terms and Conditions of Equity Award Grants

Certain of our NEOs received options to purchase our common stock in fiscal 2013. The table above entitled "Outstanding Equity Awards at 2013 Fiscal Year End" describes the material terms of other option awards made in past fiscal years to our NEOs.

In February 2013, our board of directors granted a stock option award to Dr. Finck covering 202,000 shares of our common stock in connection with her commencement of employment with us in 2012. These options vest as to 25% of the vesting commencement date the shares subject to the option on the first anniversary, and 1/48th of the shares subject to the option on each monthly anniversary thereafter, subject to Dr. Finck's continuous services to the Company on each applicable vesting date.

In November 2013 our board of directors granted an option award to Dr. Finck covering 150,000 shares of our common stock in connection with her promotion to Chief Medical Officer. In November 2013, our board of directors also granted stock option awards to Messrs. Lanfear and Farrar and Dr. Herman covering 500,000, 140,300 and 95,000 shares of our common stock, respectively. These options vest as to 1/48th of the shares subject to the option on each monthly anniversary of the vesting commencement date, such that 100% of the shares subject to the option will be vested and exercisable on the fourth anniversary of the vesting commencement date, subject to the executive's continuous service to the Company on each applicable vesting date.

In March 2014, our board of directors granted stock option awards to Messrs. Lanfear and Farrar and Dr. Herman, covering 1,499,262, 157,661 and 245,066 shares of our common stock, respectively. These options vest as to 1/48th of the shares subject to the option on each monthly anniversary of the vesting commencement date, such that 100% of the shares subject to the option will be vested and exercisable on the fourth anniversary of the vesting commencement date, subject to the executive's continuous service to the Company on each applicable vesting date.

Terms and Conditions of 401(k) Plan

All employees who meet eligibility requirements may elect to participate in our 401(k) Plan. Enrollment in the 401(k) Plan is optional. The maximum contribution to the 401(k) Plan is $17,500 for 2013 and 2014 tax years based on IRS guidelines for all employees with an additional $5,500 for additional catch-up contributions for plan participants age 50 and older, subject to regulatory and plan limitations. Under the 401(k) plan, employees may elect to contribute up to a maximum of 90% of his or her salary compensation, not to exceed the contribution amount allowed by the IRS.

Equity Compensation Plans

2014 Equity Incentive Award Plan

We have adopted the 2014 Equity Incentive Award Plan, or 2014 Plan, which will be effective on the closing of this offering. The principal purpose of the 2014 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2014 Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the 2014 Plan and, accordingly, this summary is subject to change.

Share Reserve

Under the 2014 Plan, shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards, deferred stock awards, deferred stock unit awards, dividend equivalent awards, stock payment awards and performance awards, plus the number of shares remaining available for future awards under our 2010 Equity Incentive Plan, as amended, or the 2010 Plan, as of the consummation of this offering. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2014 Plan will be increased by (i) the number of shares represented by awards outstanding under the 2010 Plan that are forfeited or lapse unexercised and which following the effective date are not issued under the 2010 Plan and (ii), if approved by our board of directors or the compensation committee of our board of directors, an annual increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to percent (.0%) of the shares of stock outstanding on the last day of the immediately preceding fiscal year or such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2014 Plan:

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2014 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2014 Plan, such tendered or withheld shares will be available for future grants under the 2014 Plan;
- shares purchased on the open market with cash proceeds from the exercise of options will not be available for future grants under the 2014 Plan;

- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2014 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the 2014 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2014 Plan.

In addition, the maximum aggregate value of awards that may be granted to any non-employee director pursuant to the 2014 Plan during any calendar year is .

Administration

The compensation committee of our board of directors is expected to administer the 2014 Plan unless our board of directors assumes authority for administration. Unless otherwise determined by our board of directors, the compensation committee will consist of at least two members of our board of directors, each of whom is intended to qualify as an "outside director," within the meaning of Section 162(m) of the U.S. Internal Revenue Code of 1986, or amended, or the Code, a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the applicable stock exchange or other principal securities market on which shares of our common stock are traded. The 2014 Plan provides that the board or compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of the Company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the 2014 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2014 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2014 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the 2014 Plan. The full board of directors will administer the 2014 Plan with respect to awards to non-employee directors.

Eligibility

Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2014 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our affiliates. Such awards also may be granted to our directors. Only employees of our company or certain of our affiliates may be granted incentive stock options, or ISOs.

Awards

The 2014 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, deferred stock, deferred stock units, dividend equivalents, performance awards and stock payments, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory Stock Options*, or NSOs, will provide for the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.

- *Incentive Stock Options*, or ISOs, will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2014 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow and will not be released until restrictions are removed or expire.
- *Restricted Stock Units* may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Deferred Stock Awards* represent the right to receive shares of our common stock on a future date. Deferred stock may not be sold or otherwise hypothecated or transferred until issued. Deferred stock will not be issued until the deferred stock award has vested, and recipients of deferred stock generally will have no voting or dividend rights prior to the time when the vesting conditions are satisfied and the shares are issued. Deferred stock awards generally will be forfeited, and the underlying shares of deferred stock will not be issued, if the applicable vesting conditions and other restrictions are not met.
- *Deferred Stock Units* are denominated in unit equivalent of shares of our common stock and vest pursuant to a vesting schedule or performance criteria set by the administrator. The common stock underlying deferred stock units will not be issued until the deferred stock units have vested, and recipients of deferred stock units generally will have no voting rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights*, or SARs, may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the 2014 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. Except as required by Section 162(m) of the Code with respect to a SAR intended to qualify as performance-based compensation as described in Section 162(m) of the Code, there are no restrictions specified in the 2014 Plan on the exercise of SARs or the amount of gain realizable therefrom, although restrictions may be imposed by the administrator in the SAR agreements. SARs under the 2014 Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.
- *Dividend Equivalents* represent the value of the dividends, if any, per share paid by us, calculated with reference to the number of shares covered by the award. Dividend equivalents may be settled in cash or shares and at such times as determined by the compensation committee or board of directors, as applicable.

- *Performance Awards* may be granted by the administrator on an individual or group basis. Generally, these awards will be based upon specific performance targets and may be paid in cash or in common stock or in a combination of both. Performance awards may include "phantom" stock awards that provide for payments based upon the value of our common stock. Performance awards may also include bonuses that may be granted by the administrator on an individual or group basis and which may be payable in cash or in common stock or in a combination of both.
- *Stock Payments* may be authorized by the administrator in the form of common stock or an option or other right to purchase common stock as part of a deferred compensation or other arrangement in lieu of all or any part of compensation, including bonuses, that would otherwise be payable in cash to the employee, consultant or non-employee director.

Change in Control

In the event of a change in control where the acquiror does not assume or replace awards granted, prior to the consummation of such transaction, awards issued under the 2014 Plan, other than performance awards, will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. Performance awards will vest in accordance with the terms and conditions of the applicable award agreement. The administrator may also make appropriate adjustments to awards under the 2014 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions. Under the 2014 Plan, a change in control is generally defined as:

- the transfer or exchange in a single transaction or series of related transactions by our stockholders of more than 50% of our voting stock to a person or group;
- a change in the composition of our board of directors over a two-year period such that the members of the board of directors who were approved by at least two-thirds of the directors who were directors at the beginning of the two year period or whose election or nomination was so approved cease to constitute a majority of the board of directors;
- the consummation of a merger, consolidation, reorganization or business combination, sale or disposition of all or substantially all of our assets or acquisition of assets or stock of another entity, in each case, other than a transaction that results in our outstanding voting securities immediately before the transaction continuing to represent a majority of the voting power of the acquiring company's outstanding voting securities and after which no person or group beneficially owns 50% or more of the outstanding voting securities of the surviving entity immediately after the transaction; or
- stockholder approval of our liquidation or dissolution.

Adjustments of Awards

In the event of a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization affecting the number of outstanding shares of our common stock or the share price of our common stock, the administrator will make appropriate, proportionate adjustments to:

- the aggregate number and type of shares subject to the 2014 Plan;
- the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and
- the grant or exercise price per share of any outstanding awards under the 2014 Plan.

In the event of certain other corporate transactions, in order to prevent dilution or enlargement of the potential benefits intended to be made available under the 2014 Plan, the administrator has the discretion to make such equitable adjustments and may also:

- provide for the termination or replacement of an award in exchange for cash or other property;

- provide that any outstanding award cannot vest, be exercised or become payable after such event;
- provide that awards may be exercisable, payable or fully vested as to shares of common stock covered thereby; or
- provide that any surviving corporation will assume or substitute outstanding awards under the 2014 Plan.

Amendment and Termination

Our board of directors or the compensation committee (with board approval) may terminate, amend or modify the 2014 Plan at any time and from time to time. However, we must generally obtain stockholder approval:

- to increase the number of shares available under the 2014 Plan (other than in connection with certain corporate events, as described above);
- reduce the price per share of any outstanding option or stock appreciation right granted under the 2014 Plan; or
- cancel any option or stock appreciation right in exchange for cash or another award when the option or stock appreciation right price per share exceeds the fair market value of the underlying shares.

No awards may be granted pursuant to the 2014 Plan after the tenth anniversary of the effective date of the 2014 Plan. Any award that is outstanding on the termination date of the 2014 Plan will remain in force according to the terms of the 2014 Plan and the applicable award agreement.

We intend to file with the SEC a registration statement on Form S-8 covering the shares of our common stock issuable under the 2014 Plan.

2010 Equity Incentive Plan

Our board of directors adopted the 2010 Plan effective as of October 12, 2010 and our stockholders approved the 2010 Plan on February 28, 2011. The 2010 Plan was subsequently amended on March 27, 2014. The 2010 Plan provided for the grants of stock options, including ISOs and NSOs, and stock purchase rights. As of June 30, 2014, options to purchase 9,251,560 shares of our common stock at a weighted-average exercise price per share of $0.97 were outstanding under the 2010 Plan. No other awards have been granted under the 2010 Plan. As of June 30, 2014, 991,414 shares of our common stock were available for future issuance pursuant to awards granted under the 2010 Plan. Following the completion of this offering and in connection with the effectiveness of our 2014 Plan, the 2010 Plan will terminate and no further awards will be granted under the 2010 Plan. However, all outstanding awards will continue to be governed by their existing terms.

Administration

Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2010 Plan and the awards granted under it. Following the date upon which our common stock is first listed on any securities exchange or designated as a national market security on an interdealer quotation system, the committee administering the plan will consist solely of two or more independent directors, each of whom is an “outside director” within the meaning of 162(m) of the Code, a “non-employee director” within the meaning of Rule 16b-3 of the Exchange Act and qualifies as “independent” within the meaning of any applicable stock exchange listing requirements. The administrator has the authority to select the service providers to whom awards will be granted under the 2010 Plan, the number of shares to be subject to those awards under the 2010 Plan and the terms and conditions of the awards granted. In addition, the administrator has the authority to construe and interpret the 2010 Plan and to adopt rules for the administration, interpretation and application of the 2010 Plan that are consistent with the terms of the 2010 Plan.

Eligibility

Awards other than ISOs may be granted to any of our employees, consultants or directors or any employees or consultants of an affiliate of our company. Only employees of our company or of an affiliate of our company may be granted ISOs.

Awards

The 2010 Plan provides that the administrator may grant or issue options, including ISOs and NSOs, and stock purchase rights. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

The exercise price of ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock may not be less than 110% of the fair market value per share of our common stock on the date of grant. The exercise price of all other options granted under the 2010 Plan may not be less than 100% of the fair market value per share of our common stock on the date of grant. Shares subject to options under the 2010 Plan generally vest in a series of installments over the participant's period of service. In general, the maximum term of options granted is ten years, provided that the maximum term of an ISO granted to an employee who owns stock representing more than 10% of the voting power of all classes of our common stock is five years.

We may also issue stock purchase rights under the 2010 Plan pursuant to which participants may accept an offer to purchase our common stock by execution of a restricted stock purchase agreement. The restricted stock purchase agreement shall generally grant the Company the right to repurchase shares acquired upon exercise of a stock purchase right upon the purchaser's termination of service. Once a stock purchase right is exercised, the purchaser will have rights equivalent to those of a stockholder.

Transferability

Generally, options may not be sold or otherwise transferred in any manner other than by will or the laws of descent and distribution and may be exercised only by the participant during the lifetime of the participant.

Adjustments Upon Changes in Capitalization

In the event of certain changes in capitalization, including, but not limited to, any dividend or distribution, reorganization, merger or consolidation, that affects our common stock such that an adjustment is determined to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the 2010 Plan or with respect to any award thereunder, the administrator may make certain adjustments, including to: (i) the number and kind of common stock with respect to which awards may be granted; (ii) the number and kind of common stock subject to outstanding options, stock purchase rights or restricted stock; or (iii) the grant or exercise price with respect to any option or stock purchase right. The administrator may also take one or more of the following actions in order to prevent such enlargement or dilution of benefits: (i) provide for the purchase, realization or replacement of any award; (ii) to provide for the acceleration of vesting of any award; (iii) to provide for the assumption or substitution of any award by a successor corporation; (iv) to provide for the termination of an award upon the consummation of the corporate event following a period during which all awards shall be exercisable and all restrictions shall lapse. Notwithstanding anything to the contrary, in the event of an "Equity Restructuring" (as defined in the 2010 Plan), the number and type of securities that may be issued under the plan, the number and type of securities subject to each outstanding award and the exercise or grant price of outstanding awards shall be proportionately adjusted.

Acquisition

If the Company undergoes an Acquisition (as defined in the 2010 Plan), then any acquiring corporation may assume any awards outstanding under the 2010 Plan or may substitute similar stock awards (including an award to acquire the same consideration paid to the stockholders) for those outstanding under the 2010 Plan. In the event any surviving corporation or entity or acquiring corporation or entity in an Acquisition, or affiliate of such

corporation or entity, does not assume such awards or does not substitute similar stock awards for those outstanding under the 2010 Plan, then with respect to (i) awards held by participants who have not terminated their service with us prior to such event, that number of awards that would have otherwise vested (and, if applicable, the time during which the awards may be exercised) will be accelerated and made exercisable at least ten days prior to the closing of the Acquisition (and, if applicable, the awards terminated if not exercised prior to the closing of such Acquisition) and (ii) any other awards outstanding under the 2010 Plan, such awards will be terminated if not exercised, if applicable, prior to the closing of the Acquisition.

Amendment and Termination

Our board of directors may amend or terminate the 2010 Stock Option Plan at any time, provided that the board of directors will obtain stockholder approval for any amendment to the extent necessary to comply with applicable law. No amendment or termination of the 2010 Plan or award granted thereunder may impair the rights under options already granted to a participant unless mutually agreed to in writing by the participant and the Administrator. Following this offering and in connection with the effectiveness of our 2014 Plan, the 2010 Plan will terminate and no further awards will be granted under the 2010 Plan.

We intend to file with the SEC a registration statement on Form S-8 covering our shares of common stock issuable under the 2010 Plan.

Employee Stock Purchase Plan

We intend to adopt an Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective upon the effectiveness of the registration statement to which this prospectus relates. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at semi-annual intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code.

Plan Administration

Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Shares Available Under ESPP

The maximum number of our shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (a) shares of common stock and (b), if approved by our board of directors or the compensation committee of our board of directors, an annual increase on the first day of each year beginning in 2015 and ending in 2024, equal to the lesser of (i) percent (%) of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares of common stock as determined by our board of directors; provided, however, no more than shares of our common stock may be issued under the ESPP. The shares made available for sale under the ESPP may be authorized but unissued shares or reacquired shares reserved for issuance under the ESPP.

Eligible Employees

Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees and any employees of our subsidiaries who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation

Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than the lesser of % of their compensation and $25,000 per offering period. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount and the accumulated deductions will be applied to the purchase of shares on each semi-annual purchase date. However, a participant may not purchase more than shares in each offering period and may not subscribe for more than $25,000 in fair market value of shares our common stock (determined at the time the option is granted) during any calendar year. The ESPP administrator has the authority to change these limitations for any subsequent offering period.

Offering

Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, which will normally commence on and of each year. The initial offering period will commence and end on dates as determined by the ESPP administrator. Unless otherwise determined by the ESPP administrator, each offering period will have a duration of six months. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the semi-annual purchase date, which will occur on the last trading day of each offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (a) receive a refund of the participant's account balance in cash without interest or (b) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger or Asset Sale

In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase pursuant under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period.

If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be

shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least ten business days prior to the new exercise date. If we undergo a merger with or into another corporation or sale of all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least ten business days prior to the new exercise date.

Amendment and Termination

Our board of directors may amend, suspend or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

We intend to file with the SEC a registration statement on Form S-8 covering our shares issuable under the ESPP.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions since January 1, 2011 to which we have been a party, in which the amount involved exceeds $120,000 and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Sales and Purchases of Securities

Series C Convertible Preferred Stock Financing

In May 2014, we issued an aggregate of 9,149,993 shares of our Series C convertible preferred stock at a price per share of $6.00 for aggregate net proceeds of $54.7 million to 35 accredited investors and 1,763,848 shares of Series C convertible preferred stock which were issued pursuant to a conversion from $10.6 million aggregate principal and associated accrued interest in convertible notes issued in our 2013 bridge financing. In addition, we issued 16,667 shares of Series C convertible preferred stock in exchange for services. The table below sets forth the number of shares of Series C convertible preferred stock sold to our directors, executive officers or holders of more than 5% of our common stock, or an affiliate or immediate family member thereof:

Name	Number of Shares of Series C Convertible Preferred Stock	Aggregate Purchase Price($)
KKR Biosimilar L.P.[1]	4,166,666	$ 24,999,996
Venrock Associates VI, L.P.[2]	1,852,517	11,115,102
Lilly Ventures Fund I, LLC[3]	905,351	5,432,106
MX II Associates, LLC[4]	444,259	2,665,554
Sofinnova Venture Partners VII, L.P.[5]	250,000	1,500,000
Helix Founders' Fund, L.P.[6]	88,851	533,106
KMG Capital Partners, LLC[7]	133,277	799,662
Caduceus Medical Holdings, LLC[7]	44,425	266,550
Leonard Capital, LLC[7]	17,625	105,750
Barbara K. Finck, M.D.	8,812	52,872
Lanfear Capital Advisors, LLC[8]	8,812	52,872
Surazal Limited Partnership[9]	4,406	26,436
Christos Richards	4,375	26,250
George G. Montgomery[10]	4,406	26,436

(1) Ali J. Satvat, who is a member of our board of directors, is an executive of Kohlberg Kravis Roberts & Co. L.P., which is an entity affiliated with KKR Biosimilar L.P.
(2) Includes 74,196 shares purchased by Venrock Partners VI, L.P., 704,467 shares purchased by Venrock Healthcare Capital Partners, L.P. and 128,866 shares purchased by VHCP Co-Investment Holdings, LLC.
(3) S. Edward Torres, who was previously on our board of directors, is a Managing Director of Lilly Ventures Management Company, LLC, which is an entity affiliated with Lilly Ventures Fund I, LLC.
(4) August J. Troendle, M.D. who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc., and is the Managing Member of MX II Associates, LLC.
(5) James I. Healy, M.D., Ph.D. who is a member of our board of directors, is a managing member of Sofinnova Management VII, L.L.C., which is the general partner of Sofinnova Venture Partners VII, L.P.
(6) Graham K. Crooke, MB.BS., who was formerly on our board of directors, is a General Partner of Helix Founders Fund, L.P.
(7) Mats Wahlström, who is a member of our board of directors, is Chairman of Caduceus Medical Holdings, LLC and Chief Executive Officer and Chairman of KMG Capital Partners, LLC and of Leonard Capital, LLC.
(8) Dennis M. Lanfear, who is our Chief Executive Officer and Chairman of our board of directors, is President of Lanfear Capital Advisors, LLC.
(9) Michael Lazarus, M.D. who was previously on our board of directors, is affiliated with Surazal Limited Partnership.
(10) George G. Montgomery was previously our Chief Financial Officer.

Repurchase of Common Stock

In March 2014, we repurchased shares of our common stock from certain of our directors, executive officers or holders of more than 5% of our common stock at a repurchase price per share equal to the original issuance price of $0.005 per share, as set forth below:

Name	Number of Shares of Series B Preferred Stock	Aggregate Purchase Price
Dennis M. Lanfear	200,000	$ 1,000
Stephen C. Glover	100,000	500
Douglas H. Farrar	100,000	500

InteKrin Therapeutics Inc. Acquisition

In February 2014, we acquired InteKrin Therapeutics Inc. Total consideration for the acquisition of InteKrin was $5.0 million and consisted of: (a) the issuance of 1,194,686 shares of Series B convertible preferred stock with a fair value of $2.7 million, (b) the assumption of a convertible note of InteKrin payable to Sofinnova Venture Partners VII, L.P., which was concurrently paid off by issuing 406,483 shares of our Series B convertible preferred stock with a fair value of $1.0 million, (c) a cash payment of $1,485 and (d) contingent consideration with a fair value of $1.3 million at the acquisition date. Shareholders of InteKrin include Dennis M. Lanfear, Sofinnova Venture Partners VII, L.P. and Vivo Ventures Fund V, L.P. and its affiliated funds. At the time of our acquisition of InteKrin, Dennis M. Lanfear was a director of InteKrin, and Dennis M. Lanfear, Michael A. Nazak and Graham K. Crooke, MB.BS., were directors of ZAO InteKrin, a subsidiary of InteKrin.

The table below sets forth the number of shares of Series B convertible preferred stock issued as consideration in the acquisition to our directors, executive officers or holders of more than 5% of our common stock, or an affiliate or immediate family member thereof:

Name	Number of Shares of Series B Convertible Preferred Stock
Sofinnova Venture Partners VII, L.P.[1]	640,783
Dennis M. Lanfear[2]	10,883
James I. Healy, M.D., Ph.D.	80

(1) James I. Healy, M.D., Ph.D. who is a member of our board of directors, is a managing member of Sofinnova Management VII, L.L.C., which is the general partner of Sofinnova Venture Partners VII, L.P.
(2) Includes 5,523 shares received by Dennis M. Lanfear, 5,324 shares received by Dennis M. Lanfear, as Trustee of the Lanfear Revocable Trust, dated January 27, 2004, as restated and 36 shares received by Lanfear Capital Advisors, LLC.

2013 Issuance of Warrants to Purchase Series B Convertible Preferred Stock

In July, August and September 2013, as part of a bridge financing, we issued warrants to purchase up to a maximum of 7,134,149 shares of our Series B convertible preferred stock at a price per share of $0.01 to the below directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof in connection with a convertible note financing. In May 2014, all of the principal and accrued interest under the convertible notes issued in this financing converted into shares of our Series C convertible preferred stock and all of the warrants were exercised for shares of Series B convertible preferred stock.

The table below sets forth the number of shares of Series B convertible preferred stock issued to our directors, executive officers or holders of more than 5% of our common stock, or an affiliate or immediate family member thereof pursuant to their exercise of the warrants:

Name	Number of Shares of Series B Convertible Preferred Stock from Warrants
Lilly Ventures Fund I, LLC(1)	1,971,750
MX II Associates, LLC(2)	1,792,500
Venrock Associates VI, L.P.	1,433,999
KMG Capital Partners, LLC(3)	537,750
Helix Founders' Fund, L.P.(4)	358,500
Caduceus Medical Holdings, LLC(3)	179,250
Leonard Capital, LLC(3)	71,700
Barbara K. Finck, M.D.	35,850
Lanfear Capital Advisors, LLC(5)	35,850
Christos Richards	17,925
George G. Montgomery(6)	17,925
Surazal Limited Partnership(7)	17,925

(1) S. Edward Torres, who was previously on our board of directors, is a Managing Director of Lilly Ventures Management Company, LLC, which is an entity affiliated with Lilly Ventures Fund I, LLC.
(2) August J. Troendle, M.D., who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc. and is the Managing Member of MX II Associates, LLC.
(3) Mats Wahlström, who is a member of our board of directors, is Chairman of Caduceus Medical Holdings, LLC and Chief Executive Officer and Chairman of KMG Capital Partners, LLC and of Leonard Capital, LLC.
(4) Graham K. Crooke, MB.BS, who was previously on our board of directors, is a General Partner of Helix Founders' Fund, L.P.
(5) Dennis M. Lanfear, who is our Chief Executive Officer and Chairman of our board of directors, is President of Lanfear Capital Advisors, LLC.
(6) George G. Montgomery was previously our Chief Financial Officer.
(7) Michael Lazarus, M.D., who was previously on our board of directors, is affiliated with Surazal Limited Partnership.

Series B Convertible Preferred Stock Financing

In January 2012, we issued an aggregate of 5,377,500 shares of our Series B convertible preferred stock at a price per share of $4.1841 for aggregate net proceeds of approximately $20.3 million to 18 accredited investors and 2,540,742 shares of Series B convertible preferred stock which we issued pursuant to a conversion from $10.6 million aggregate principal and accrued interest in convertible notes issued in our 2011 bridge financing. In addition, we issued 836,500 shares of Series B convertible preferred stock in exchange for services. In December 2012, we issued an additional 4,788,365 shares of our Series B convertible preferred stock in additional closings, of which 2,876,365 shares were issued in exchange for services. The table below sets forth the number of shares of Series B convertible preferred stock sold to our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof:

Name	Number of Shares of Series B Preferred Stock	Aggregate Purchase Price
Daiichi Sankyo Company, Limited	4,780,000	$ 19,999,999
Cook Pharmica LLC	3,585,000	14,999,999
Medpace, Inc.(1)	1,219,696	5,103,330
Lilly Ventures Fund I, LLC(2)	1,203,763	5,036,666
Oasis Investing Limited(3)	956,000	3,999,999
Olsen International Limited(4)	956,000	3,999,999
Helix Founders' Fund, L.P.(5)	246,676	1,032,117
Leonard Capital, LLC(1)	124,439	520,665
Caduceus Medical Holdings, LLC(1)	121,730	509,330
Dennis M. Lanfear	18,665	78,096
Douglas H. Farrar	14,932	62,476
Stephen C. Glover	14,932	62,476
Alan C. Herman Ph.D.	8,710	36,443
Stuart E. Builder, Ph.D.(6)	7,466	31,240
Christos Richards	2,487	10,405
Surazal Limited Partnership(7)	2,383	9,970

(1) Includes 622,196 shares purchased by MX II Associates LLC and 597,500 shares purchased by Medpace, Inc. August J. Troendle, M.D., who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc. and is the Managing Member of MX II Associates, LLC.
(2) S. Edward Torres, who was previously on our board of directors, is a Managing Director of Lilly Ventures Management Company, LLC, which is an entity affiliated with Lilly Ventures Fund I, LLC.
(3) Oasis Investing Limited is an affiliated entity of Orox Pharmaceuticals B.V.
(4) Olsen International Limited is an affiliated entity of Orox Pharmaceuticals B.V.
(5) Graham K. Crooke, MB.BS, who was previously on our board of directors, is a General Partner of Helix Founders' Fund, L.P.
(6) Stuart E. Builder, Ph.D. was previously on our board of directors.
(7) Michael Lazarus, M.D., who was previously on our board of directors, is affiliated with Surazal Limited Partnership.

Issuance of Unsecured Promissory Notes

In December 2011, we issued unsecured promissory notes bearing interest at 0.2% per annum to certain of our directors, executive officers or holders of more than 5% of our common stock in approximately the amounts set forth below in connection with, and to facilitate, their purchase of our common stock:

Name	Principal Amount of Unsecured Promissory Note
Alan C. Herman, Ph.D.	$ 51,032
Dennis M. Lanfear	35,151
Stephen C. Glover	21,380
Douglas H. Farrar	25,122

In March 2013, our board of directors approved the forgiveness of all outstanding principal and accrued interest under the unsecured promissory note issued to Mr. Glover. In May 2014, our board of directors approved the forgiveness of all outstanding principal and accrued interest under the unsecured promissory notes issued Messrs. Lanfear and Farrar and Dr. Herman.

2011 Issuance of Warrants to Purchase Series B Convertible Preferred Stock

In July, August and December 2011, as part of a bridge financing, we issued warrants to purchase up to a maximum of 587,543 shares of our Series B convertible preferred stock at a price per share of $0.01 to the below directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof in connection with a convertible note financing. In January 2012, all of the principal and accrued interest under the convertible notes issued in this financing were converted into shares of our Series B convertible preferred stock.

The table below sets forth the number of shares of Series B convertible preferred stock subject to the warrants issued to our directors, executive officers or holders of more than 5% of our common stock, or an affiliate or immediate family member thereof:

Name	Number of Shares of Series B ConvertiblePreferred Stock Exercisable Under Warrants
Lilly Ventures Fund I, LLC[1]	239,000
MX II Associates, LLC[2]	179,250
Helix Founders' Fund, L.P.[3]	47,795
Leonard Capital[4]	35,850
Caduceus Medical Holdings LLC[4]	23,900
Dennis M. Lanfear	5,377
Douglas H. Farrar	4,302
Stephen C. Glover	4,302
Alan C. Herman, Ph.D.	2,509
Stuart E. Builder, Ph.D.[5]	2,151
Christos Richards	716
Surazal Limited Partnership[6]	686

(1) S. Edward Torres, who was previously on our board of directors, is a Managing Director of Lilly Ventures Management Company, LLC, which is an entity affiliated with Lilly Ventures Fund I, LLC.
(2) August J. Troendle, M.D., who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc. and is the Managing Member of MX II Associates, LLC.
(3) Graham K. Crooke, MB.BS, who was previously on our board of directors, is a General Partner of Helix Founders' Fund, L.P.
(4) Mats Wahlström, who is a member of our board of directors, is Chairman of Caduceus Medical Holdings, LLC and Chief Executive Officer and Chairman of KMG Capital Partners, LLC and of Leonard Capital, LLC.
(5) Stuart E. Builder, Ph.D. was previously on our board of directors.
(6) Michael Lazarus, M.D., who was previously on our board of directors, is affiliated with Surazal Limited Partnership.

Series A Convertible Preferred Stock Financing

In March 2011, we issued an aggregate of 1,406,663 shares of our Series A convertible preferred stock at a price per share of $0.75 for aggregate net proceeds of approximately $1.0 million to 13 accredited investors and 214,225 shares of Series A convertible preferred stock which were issued pursuant to a conversion from $160,699 aggregate principal and accrued interest in convertible notes from our 2011 bridge financing.

Name	Number of Shares of Series A Convertible Preferred Stock	Aggregate Purchase Price
MX II Associates, LLC(1)	533,333	$ 400,000
Helix Founders' Fund, L.P.(2)	400,000	300,000
Lanfear Capital Advisors, LLC(3)	66,946	50,210
Christos Richards	66,666	50,000
Alan C. Herman, Ph.D.	66,666	50,000
Douglas H. Farrar	33,473	25,105
Surazal Limited Partnership(4)	13,387	10,040

(1) August J. Troendle, M.D., who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc. and is the Managing Member of MX II Associates, LLC.
(2) Graham K. Crooke, MB.BS, who was previously on our board of directors, is a General Partner of Helix Founders' Fund, L.P.
(3) Dennis M. Lanfear, who is our Chief Executive Officer and Chairman of our board of directors, is President of Lanfear Capital Advisors, LLC.
(4) Michael Lazarus, M.D., who was previously on our board of directors, is affiliated with Surazal Limited Partnership.

2011 Issuance of Warrants to Purchase Series A Convertible Preferred Stock

In January 2011, as part of a bridge financing, we issued warrants to purchase up to a maximum of 106,560 shares of our Series A convertible preferred stock at a price per share of $0.75 to the below directors, executive officers or holders of more than 5% of our common stock, or an affiliate or immediate family member thereof:

Name	Number of Shares of Series A Convertible Preferred Stock Exercisable Under Warrants
Lanfear Capital Advisors, LLC(1)	33,300
Stephen C. Glover	33,300
Douglas H. Farrar	16,650
Stuart E. Builder, Ph.D.(2)	16,650
Surazal Limited Partnership(3)	6,660

(1) Dennis M. Lanfear, who is our Chief Executive Officer and Chairman of our board of directors, is President of Lanfear Capital Advisors, LLC.
(2) Stuart E. Builder, Ph.D. was previously on our board of directors.
(3) Michael Lazarus, M.D., who was previously on our board of directors, is affiliated with Surazal Limited Partnership.

Daiichi Sankyo Company, Limited License Agreement

Under the Daiichi License Agreement, we granted Daiichi Sankyo Company, Limited, or Daiichi Sankyo, exclusive rights to CHS-0214 (our etanercept (Enbrel) biosimilar candidate) and a rituximab (Rituxan) biosimilar candidate in the territory of Japan, Taiwan and South Korea, with an option to expand the licensed rights to include China, and an option to manufacture the products for these licensed territories. In exchange for these rights, Daiichi Sankyo made an upfront equity investment of $20.0 million in the company, paid us an upfront fee, and agreed to pay us royalties based on a percentage of net sales of licensed products in the licensed territory. If we are manufacturing product for Daiichi Sankyo, we are eligible to receive an increased royalty reflecting our manufacturing costs. Daiichi Sankyo terminated its rights to CHS-0214 in Taiwan and South Korea in May 2012, declined to expand its licensed rights to China in August 2012 and terminated its rights to a rituximab biosimilar candidate in July 2014.

Under the memoranda of understanding, we agreed to specific cost sharing responsibilities with Daiichi Sankyo based upon percentages of estimated costs. See "Business — Collaboration and License Agreements — License Agreement with Daiichi Sankyo Company, Limited" for more information about our collaboration with Daiichi Sankyo.

Engagements with Catalyst Advisors LP and Levin & Company

Christos Richards, a member of our board of directors and our compensation committee, is a partner in Catalyst Advisors LP, or Catalyst, an executive search firm. We retained Catalyst in 2014 to perform executive search and recruiting services. During the period from January 1, 2014 through July 14, 2014, the total amount invoiced to us by Catalyst for these services was approximately $432,000 including expense reimbursement, and the total amount paid by us to Catalyst for these services during this period was approximately $366,000. Prior to 2014, Mr. Richards was Chief Executive Officer of Levin & Company, or Levin, an executive search firm. We retained Levin during the period of January 1, 2011 through December 31, 2013 to perform executive search and recruiting services. The total amount paid by us to Levin for these services in this period, including expense reimbursement, was approximately $254,000.

In March 2014, we issued to Mr. Richards a warrant exercisable for up to 44,184 shares of our common stock, with an exercise price of $1.00 per share, as additional consideration for services provided to us by Mr. Richards in connection with these engagements.

Medpace, Inc. Master Services Agreement

In January 2012, we entered into a Master Services Agreement with Medpace, Inc., or Medpace, a contract research organization, or CRO, under which we engage Medpace to perform certain CRO services related to the design and execution of clinical development programs. August J. Troendle, M.D., who is a member of our board of directors, is Chief Executive Officer, President and Chairman of Medpace, Inc. and is the Managing Member of MX II Associates, LLC. Prior to the consummation of this offering, MX II Associates, LLC is a beneficial owner of more than 5% of our common stock. In August 2014 we executed a task order with Medpace to cover the in life management of the Phase 3 rheumatoid arthritis study (a Phase 3, double-blind, randomized, parallel-group, active-control study to compare the efficacy and safety of CHS-0214 versus Enbrel in subjects with rheumatoid arthritis and inadequate response to treatment with methotrexate). To date, under the Master Services Agreement we have entered into commitments with Medpace for clinical development services having an aggregate value of $51 million. As of June 30, 2014, we have expensed approximately $14.5 million of this amount for our CHS-1420, CHS-0214 and CHS-1701 clinical development programs.

Cook Pharmica LLC Clinical Supply Agreement

In January 2012, we entered into a Clinical Supply Agreement with Cook Pharmica LLC, or Cook, a contract manufacturing organization, or CMO, under which Cook agreed to perform certain manufacturing services related to supplying products for use in our clinical studies, in exchange for up to $10 million of Series B convertible preferred stock. We have entered into commitments to use Cook to meet our initial commercial supply needs for certain of our products, including one of our lead products, CHS-1420. Cook was a beneficial owner of more than 5% of our common stock for a portion of the period beginning January 1, 2011.

Orox Pharmaceuticals B.V. Distribution Agreement

In December 2012, we entered into a distribution agreement with Orox Pharmaceuticals B.V., or Orox, in which we granted Orox an exclusive license to distribute CHS-0214, CHS-1420, CHS-1701 and a rituximab biosimilar candidate, as well as options to purchase future products, in certain Caribbean and Latin American countries. The agreement requires us to develop the licensed products and achieve regulatory approval for such products outside of the specified territory in order to facilitate Orox's ability to secure regulatory approvals within the licensed territory. We are eligible to receive from Orox a percentage of gross profits from the sale of
licensed products, on a product-by-product basis. See "Business — Collaboration and License Agreements —

Distribution Agreement with Orox Pharmaceuticals B.V." for more information about our collaboration with Orox. Oasis Investing Limited and Olsen International Limited are affiliated entities of Orox and each was a beneficial owner of more than 5% of our common stock for a portion of the period beginning January 1, 2011.

Investor Rights Agreement

We and the holders of our preferred stock have entered into a third amended and restated investor rights agreement pursuant to which these stockholders and warrantholders will have, among other things, registration rights under the Securities Act of 1933, as amended, or the Securities Act, with respect to their shares of common stock following this offering. Prior to the completion of this offering, all outstanding shares of our convertible preferred stock will be converted into common stock. See "Description of Capital Stock — Registration Rights" for more information about the investors rights agreement.

Voting Agreement

We have entered into a voting agreement with certain holders of our common stock and holders of our preferred stock. The voting agreement provides for a right of first offer in favor of certain holders of preferred stock with regard to certain issuances of our capital stock. Upon the closing of this offering, the voting agreement will terminate.

For a description of the voting arrangements in the voting agreement, see the section titled "Management — Board Composition — Voting Arrangements."

Right of First Refusal and Co-Sale Agreement

We have entered into a right of first refusal and co-sale agreement with certain holders of our common stock and holders of our preferred stock. This agreement provides for rights of first refusal and co-sale relating to the shares of our common stock held by certain key holders of our common stock. Upon the consummation of this offering, the third amended and restated right of first refusal and co-sale agreement as currently in effect will terminate.

Indemnification Agreements

We have entered or intend to enter into indemnification agreements with each of our directors, executive officers and certain other employees. These agreements, among other things, will require us to indemnify each individual to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the individual in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director, officer or other employee. For additional information, see "Management — Limitation of Liability and Indemnification Matters."

Policies and Procedures for Related Party Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the consummation of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. As provided by our audit committee charter to be effective upon completion of this offering, our audit committee will be responsible for reviewing and approving any related person transaction and in doing so will consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information relating to the beneficial ownership of our common stock as of August 31, 2014, by:

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

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the Securities and Exchange Commission, or SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of August 31, 2014 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 42,934,776 shares of our common stock outstanding as of August 31, 2014, which reflects the assumed conversion of all of our outstanding shares of preferred stock into an aggregate of 35,225,839 shares of common stock. Shares of our common stock that a person has the right to acquire within 60 days of August 31, 2014 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Coherus BioSciences, Inc., at 201 Redwood Shores Parkway, Suite 200, Redwood City, California.

	Beneficial Ownership Prior to this Offering				Beneficial Ownership After this Offering	
Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Number of Shares Exercisable Within 60 Days	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership
5% and Greater Stockholders						
Daiichi Sankyo Company, Limited[1]	4,780,000	—	4,780,000	11.13%		
Lilly Ventures Fund I, LLC[2]	4,796,055	—	4,796,055	11.17%		
Entities affiliated with MX II Associates, LLC[3]	3,989,788	179,250	4,169,038	9.67%		
KKR Biosimilar L.P.[4]	4,166,666	—	4,166,666	9.70%		
Sofinnova Venture Partners VII, L.P.[5]	3,553,766	—	3,553,766	8.28%		
Entities affiliated with Venrock Associates VI, L.P.[6]	3,286,516	—	3,286,516	7.65%		
Named Executive Officers and Directors						
Douglas H. Farrar[7]	1,648,405	256,796	1,905,201	4.41%		
Barbara K. Finck, M.D.[8]	44,662	160,499	205,161	*		
Stephen C. Glover[9]	1,331,878	130,154	1,462,032	3.39%		
James I. Healy, M.D., Ph.D.[10]	3,553,846	8,333	3,562,179	8.30%		
Alan C. Herman, Ph.D. [11]	500,376	621,857	1,122,233	2.58%		
Dennis M. Lanfear[12]	2,491,156	946,452	3,437,608	7.83%		
V. Bryan Lawlis, Ph.D.[13]	—	15,625	15,625	*		
Christos Richards[14]	91,453	113,650	205,103	*		
Ali J. Satvat[15]	4,166,666	—	4,166,666	9.70%		
Mary T. Szela[16]	—	2,083	2,083	*		
S. Edward Torres[17]	4,796,055	50,000	4,846,055	11.27%		
August J. Troendle, M.D.[18]	4,026,246	186,542	4,212,788	9.77%		
Mats Wahlström[19]	1,450,235	89,061	1,539,296	3.58%		
Peter K. Watler, Ph.D.[20]	—	181,013	181,013	*		
All directors and executive officers as a group (16 persons)[21]	24,148,309	3,682,534	27,830,843	59.70%		

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) The shares are owned directly by Daiichi Sankyo Company, Limited, or Daiichi Sankyo. Daiichi Sankyo is a publicly traded company on the Tokyo Stock Exchange. As of March 31, 2014, Daiichi Sankyo had 110,851 shareholders (none of whom owned or beneficially owned more than 10% of Daiichi Sankyo's outstanding shares of common stock) and approximately 703,959,767 shares (excluding treasury shares held by Daiichi Sankyo and its consolidated subsidiaries) of common stock outstanding. This beneficial ownership information includes information contained in publicly available records of the filings made by Daiichi Sankyo shareholders regarding their ownership of Daiichi Sankyo's common stock under the Securities and Exchange Law of Japan. The address of Daiichi Sankyo is 3-5-1 Nihonbashi Honcho, Chuo-Ku, Tokyo 103-8426 Japan.

(2) The shares are owned directly by Lilly Ventures Fund I, LLC. Eli Lilly and Company, as Sole Managing Member of Lilly Ventures Fund I, LLC, and pursuant to the LLC Agreement of Lilly Ventures Fund I, LLC, has voting authority

with respect to shares owned by Lilly Ventures Fund I, LLC. Mr. Torres is a non-managing member of Lilly Ventures Fund I LLC and has shared voting and shared investment power over such shares, and may be deemed the indirect beneficial owner of such shares. Mr. Torres disclaims beneficial ownership over such shares, except to the extent of any pecuniary interest therein. The address of Lilly Ventures Fund I, LLC is 115 West Washington Street, Suite 1680 — South, Indianapolis, IN 46204.

(3) Includes (i) 597,500 shares held prior to this offering by Medpace Investors, LLC, or Medpace Investors, (ii) 3,392,288 shares held prior to this offering by MX II Associates LLC, or MX II Associates, and (iii) 179,250 shares that may be acquired pursuant to the exercise of a warrant held by MX II Associates prior to this offering. August J. Troendle, M.D., is the President of Medpace Investors and the Managing Member of MX II Associates. Voting and dispositive decisions with respect to shares held by Medpace Investors and MX II Associates are made by Dr. Troendle; however, he disclaims beneficial ownership of the shares held by these entities, except to the extent of any pecuniary interest therein. The address of MX II Associates and affiliated entity is c/o Medpace, Inc., 5375 Medpace Way, Cincinnati, OH 45227.

(4) The shares are owned directly by KKR Biosimilar L.P. KKR Biosimilar GP LLC is the sole general partner of KKR Biosimilar L.P. KKR Fund Holdings L.P. is the sole member of KKR Biosimilar GP LLC. The general partners of KKR Fund Holdings L.P. are KKR Fund Holdings GP Limited and KKR Group Holdings L.P. The sole shareholder of KKR Fund Holdings GP Limited is KKR Group Holdings L.P. The sole general partner of KKR Group Holdings L.P. is KKR Group Limited. The sole shareholder of KKR Group Limited is KKR & Co. L.P. The sole general partner of KKR & Co. L.P. is KKR Management LLC. The designated members of KKR Management LLC are Messrs. Kravis and Roberts. Each of KKR Biosimilar GP LLC, KKR Fund Holdings L.P., KKR Fund Holdings GP Limited, KKR Group Holdings L.P., KKR Group Limited, KKR & Co. L.P., KKR Management LLC, and Messrs. Kravis and Roberts disclaim beneficial ownership over all shares held by KKR Biosimilar L.P. except to the extent of their indirect pecuniary interests therein. Ali J. Satvat, who is a member of our board of directors, is an executive of Kohlberg Kravis Roberts & Co. L.P. and/or one or more of its affiliates. Mr. Satvat disclaims beneficial ownership of all shares held by KKR Biosimilar L.P. except to the extent of his indirect pecuniary interests therein. The address of the entities affiliated with Kohlberg Kravis Roberts & Co. L.P. and Mr. Kravis is c/o Kohlberg Kravis Roberts & Co. L.P., 9 West 57th Street, New York, NY 10019. The address of Messrs. Roberts and Satvat is c/o Kohlberg Kravis Roberts & Co. L.P., 2800 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(5) The shares are owned directly by Sofinnova Venture Partners VII, L.P., or SV VII. Sofinnova Management VII, L.L.C., or SV VII LLC, the general partner of SV VII, and Dr. Healy, Michael Powell and Eric Buatois, the managing members of SV VII LLC, may be deemed to have shared voting and dispositive power over the shares owned by SV VII. Such persons and entities disclaim beneficial ownership over the shares owned by SV VII except to the extent of any pecuniary interest therein. The address of SV VII is c/o Sofinnova Ventures, 3000 Sand Hill Road, Suite 4-250, Menlo Park, CA 94025.

(6) Consists of (i) 2,274,592 shares held prior to this offering by Venrock Associates VI, L.P., or VA VI, (ii) 178,591 shares held prior to this offering by Venrock Partners VI, L.P., or VP VI, (iii) 704,467 shares held prior to this offering by Venrock Healthcare Capital Partners, L.P., or VHCP, and (iv) 128,866 shares held prior to this offering by VHCP Co-Investment Holdings, LLC, or VHCP Co. Venrock Management VI, LLC, or VM VI, is the sole general partner of VA IV. Venrock Partners Management VI, LLC, or VPM VI, is the sole general partner of VP IV. VHCP Management, LLC, or VHCPM, is the sole general partner of each of VHCP and VHCP Co. VM VI, VPM VI and VHCPM expressly disclaim beneficial ownership over all shares held by VA VI, VP VI, VHCP and VHCP Co, except to the extent of their indirect pecuniary interest therein. Anders D. Hove and Bryan E. Roberts are members of VI VI, VP VI and VHCPM and disclaim beneficial ownership over all shares held by VA VI, VP VI, VHCP and VHCP Co, except to the extent of their indirect pecuniary interests therein. The address of each of the entities is c/o Venrock, 3340 Hillview Avenue, Palo Alto, CA 94304.

(7) Consists of (i) 1,648,405 shares held prior to this offering, (ii) 20,952 shares that may be acquired pursuant to the exercise of warrants and (iii) 235,844 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Farrar.

(8) Consists of (i) 44,662 shares held prior to this offering and (ii) 160,499 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Dr. Finck.

(9) Consists of (i) 1,331,878 shares held prior to this offering, (ii) 37,602 shares that may be acquired pursuant to the exercise of warrants and (iii) 92,552 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Glover.

(10) Consists of the shares held by Sofinnova Venture Partners VII, L.P. Dr. Healy is a managing member of Sofinnova Management VII, L.L.C., the general partner of Sofinnova Venture Partners VII, L.P., and disclaims beneficial ownership of the shares held by Sofinnova Venture Partners VII, L.P., except to the extent of his pecuniary interest therein. Also includes (i) 80 shares held prior to this offering and (ii) 8,333 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014.

(11) Consists of (i) 500,376 shares held prior to this offering by Alan C. Herman, Ph.D. and Margaret R. Herman, Trustees of the Herman Trust dated March 16, 2001, (ii) 402,509 shares that may be acquired pursuant to the exercise of warrants held prior to this offering and (iii) 219,348 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Dr. Herman.

(12) Consists of (i) 2,270,324 shares held prior to this offering by Dennis M. Lanfear, as Trustee of the Lanfear Revocable Trust, dated January 27, 2004, as restated, (ii) 111,644 shares held prior to this offering by Lanfear Capital Advisors, LLC, (iii) 109,188 shares held prior to this offering by Dennis M. Lanfear, (iv) 33,300 shares that may be acquired pursuant to the exercise of a warrant held prior to this offering by Lanfear Capital Advisors, LLC, (v) 5,377 shares that may be acquired pursuant to the exercise of a warrant by Mr. Lanfear and (vi) 907,775 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Lanfear.

(13) Consists of 15,625 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Dr. Lawlis.

(14) Consists of (i) 91,453 shares held prior to this offering, (ii) 44,900 shares that may be acquired pursuant to the exercise of warrants and (iii) 68,750 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Richards.

(15) Consists of the shares held by KKR Biosimilar L.P. Mr. Satvat disclaims beneficial ownership of the shares held by KKR Biosimilar L.P., except to the extent of his pecuniary interest therein.

(16) Consists of 2,083 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Ms. Szela.

(17) Consists of the shares held by Lilly Ventures Fund I, LLC. Mr. Torres disclaims beneficial ownership of the shares held by Lilly Ventures Fund I, LLC, except to the extent of his pecuniary interest therein. Also includes 50,000 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Torres. Mr. Torres resigned from our board of directors effective May 29, 2014.

(18) Consists of the shares described in Note (3) above. Dr. Troendle disclaims beneficial ownership of the shares held by Medpace Investors, LLC and MX II Associates, LLC as described in Note (3) above, except to the extent of his pecuniary interest therein. Also includes 7,292 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Dr. Troendle.

(19) Consists of the shares held by Caduceus Medical Holdings, LLC, KMG Capital Partners, LLC and Leonard Capital, LLC. Mr. Wahlström disclaims beneficial ownership of the shares held by Caduceus Medical Holdings, LLC, KMG Capital Partners, LLC and Leonard Capital, LLC, except to the extent of his pecuniary interest therein. Also includes 89,061 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Mr. Wahlström.

(20) Consists of 181,013 shares that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by Dr. Watler.

(21) Includes (i) 17,956,510 shares held by entities affiliated with certain of our directors and (ii) 24,148,309 shares beneficially owned by our executive officers and directors, which includes the 17,956,510 shares held by such entities and 3,682,534 shares that may be acquired pursuant to the exercise of stock options and warrants within 60 days of August 31, 2014. Includes shares owned and that may be acquired pursuant to the exercise of stock options within 60 days of August 31, 2014 by George G. Montgomery, our former Chief Financial Officer.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and the material provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, the third amended and restated investor rights agreement to which we and certain of our stockholders are parties and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and third amended and restated investor rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.

General

Immediately prior to the consummation of this offering, we will file our amended and restated certificate of incorporation that authorizes shares of common stock, $0.0001 par value per share, and shares of preferred stock, $0.0001 par value per share. As of June 30, 2014, there were outstanding:

- 42,934,776 shares of our common stock, on an as converted basis, held by approximately 86 stockholders of record;
- 1,234,017 shares of our common stock issuable upon cash exercise of outstanding warrants; and
- 9,251,560 shares of our common stock issuable upon cash exercise of outstanding stock options.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Preferred Stock

Immediately prior to the consummation of this offering, all outstanding shares of our preferred stock will be converted into shares of our common stock. See Note in the notes to our consolidated audited financial statements included elsewhere in this prospectus for a description of our currently outstanding preferred stock. Immediately prior to the consummation of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. Upon the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Warrants

The following table sets forth information about outstanding warrants to purchase shares of our stock as of June 30, 2014. Immediately prior to the consummation of this offering, the warrants to purchase shares of our preferred stock will convert into warrants to purchase our common stock based on the conversion ratio of the preferred stock.

Class of Stock Underlying Warrants	Number of Shares Exercisable Prior to This Offering	Number of Shares of Common Stock Exercisable Following this Offering	Exercise Price Per Share($)	Expiration Dates
Common stock, par value $0.0001[1]	922,309	—	$ 1.00	3/28/2024
Series A convertible preferred stock, par value $0.0001[1]	106,560	—	$ 0.75	1/26/2016
Series B convertible preferred stock, par value $0.0001[1]	205,148	—	$ 0.01	7/21/2018 and 11/29/2018
Total	1,234,017	—		

(1) In connection with our initial public offering, these warrants will net exercise into shares of common stock if not otherwise exercised prior to the consummation of this offering.

Registration Rights

Under our third amended and restated investor rights agreement, following the closing of this offering, the holders of approximately 42.9 million shares of common stock, including shares issuable upon exercise of warrants, or their transferees, have the right to require us to register their shares under the Securities Act of 1933, as amended, or the Securities Act, so that those shares may be publicly resold, or to include their shares in any registration statement we file, in each case as described below.

Demand Registration Rights

Based on the number of shares outstanding as of June 30, 2014, after the consummation of this offering, the holders of approximately 42.9 million shares of our common stock, including shares issuable upon exercise of warrants, or their transferees, will be entitled to certain demand registration rights. Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, the holders of at least 50% of

these shares can, on not more than four occasions, request that we register all or a portion of their shares. Such request for registration must cover a number of shares with an anticipated aggregate offering price, net of underwriting discounts and commissions, of at least $5.0 million. Additionally, we will not be required to effect a demand registration during the period beginning 60 days prior to the filing and 180 days following the effectiveness of a company-initiated registration statement relating to a public offering of our securities, provided that we have complied with certain notice requirements to the holders of these shares.

Form S-3 Registration Rights

Based on the number of shares outstanding as of June 30, 2014, after the consummation of this offering, the holders of approximately 42.9 million shares of our common stock, including shares issuable upon exercise of warrants, or their transferees, will be entitled to certain Form S-3 registration rights. Following the effectiveness of the registration statement of which this prospectus is a part, the holders of these shares can make a written request that we register their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the aggregate price to the public of the shares offered is at least $1.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3, but in no event shall we be required to file more than two registrations on Form S-3 in any 12-month period. However, we will not be required to effect a registration on Form S-3 during the period beginning 60 days prior to the filing and 180 days following the effectiveness of a company-initiated registration statement relating to a public offering of our securities, provided that we have complied with certain notice requirements to the holders of these shares.

Piggyback Registration Rights

Based on the number of shares outstanding as of June 30, 2014, after the consummation of this offering, in the event that we determine to register any of our securities under the Securities Act (subject to certain exceptions), either for our own account or for the account of other security holders, the holders of approximately 42.9 million shares of our common stock, including shares issuable upon exercise of warrants, or their transferees, will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration related to employee benefit plans, the offer and sale of debt securities or corporate reorganizations or certain other transactions, the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include.

Expenses of Registration

We will pay the registration expenses of the holders of the shares registered pursuant to the demand, piggyback and Form S-3 registration rights described above.

Expiration of Registration Rights

The demand, piggyback and Form S-3 registration rights described above will expire, with respect to any particular stockholder, upon the earlier of five years after the consummation of this offering or when that stockholder can sell all of its shares under Rule 144 of the Securities Act.

Anti-Takeover Effects of Provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Delaware Law

Some provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect immediately prior to the consummation of this offering

contain provisions that could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a publicly-held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue "blank check" preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of the Company.

Special Stockholder Meetings

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our corporate secretary pursuant to a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation eliminates the right of stockholders to act by written consent without a meeting.

Classified Board; Election and Removal of Directors

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. In addition, a vote of not less than 66 2/3% of all outstanding shares of our capital stock is required for removal of a director only for cause (and a director may only be removed for cause). For more information on the classified board, see "Management — Board Composition." This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue "blank check" preferred stock, would require approval by holders of at least $66^{2}/_{3}$% of the voting power of our then outstanding voting stock.

The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitations of Liability and Indemnification Matters

For a discussion of liability and indemnification, please see "Management—Limitation on Liability and Indemnification Matters."

NASDAQ Listing

We intend to apply for the listing of our common stock on The NASDAQ Global Market under the symbol "CHRS."

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be . The transfer agent and registrar's address is .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of Restricted Shares

Based on the number of shares of our common stock outstanding as of June 30, 2014, upon the closing of this offering and assuming (1) the conversion of our outstanding preferred stock into common stock, assuming an initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus), (2) no exercise of the underwriters' option to purchase additional shares of common stock to cover over-allotments and (3) no exercise of outstanding options or warrants, we will have outstanding an aggregate of approximately shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering and any shares sold upon exercise of the underwriters' option to purchase additional shares to cover over-allotments will be freely tradable in the public market without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding as of June 30, 2014, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Approximate Number of Shares	First Date Available for Sale into Public Market
shares	180 days after the date of this prospectus, or longer if the lock-up period is extended, upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers and holders of substantially all of our other outstanding shares of common stock or securities convertible into or exchangeable for shares of our common stock have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC.

Prior to the completion of the offering, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Following the lock-up periods set forth in the agreements described above, and assuming that the representatives of the underwriters do not release any parties from these agreements and that there is no extension of the lock-up period, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated as of June 30, 2014 on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares and no exercise of outstanding options or warrants); or
- the average weekly trading volume of our common stock on The NASDAQ Global Market, or NASDAQ, during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to below, if applicable).

Registration Rights

Based on the number of shares outstanding as of June 30, 2014, after the consummation of this offering, the holders of approximately 42.9 million shares of our common stock, including shares issuable upon exercise of warrants, or their transferees, will, subject to any lock-up agreements they have entered into, be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, please see the section titled “Description of Capital Stock — Registration Rights.” If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act.

Equity Incentive Plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock that we may issue upon exercise of outstanding options reserved for issuance under our 2010 Equity Incentive Plan, as amended, our 2014 Equity Incentive Award Plan and our 2014 Employee Stock Purchase Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the consummation of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and all substantial decisions of which are controlled by one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate paying any cash dividends in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "— Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation but that qualifies for a reduced treaty rate may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);

- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or a USRPI, by reason of our status as a U.S. real property holding corporation, or a USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S.-source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not and do not anticipate becoming a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. Proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code, which Sections are commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax will be

imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations, withholding under FATCA generally applies to payments of dividends on our common stock made on or after July 1, 2014 and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2017.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
Cowen and Company, LLC	
Total	

The underwriters are committed to purchase all the common shares offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without Over-allotment Exercise	With Over-allotment Exercise
Per share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933, as amended, or the Securities Act, relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise of options granted under our existing plans.

Our directors and executive officers and substantially all of our equity holders have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 180 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, managers and members in accordance with the rules and regulations of the Securities and Exchange Commission, or SEC, and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock. These agreements will not restrict our directors and executive officers or other employees from entering into 10b5-1 trading plans provided that (1) any shares that may be sold under such plans will be subject to the restrictions described above and (2) no filing under the Exchange Act or other public announcement shall be required or shall be made voluntarily during the restricted period.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We intend to apply to have our common stock approved for listing/quotation on The NASDAQ Global Market under the symbol “CHRS”.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ over-allotment option referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock

in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on The NASDAQ Global Market, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

Certain of the underwriters and their affiliates have engaged in and may provide to us and our affiliates from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they may receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling Restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, the Order, or (iii) high net worth entities and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order, or all such persons together, relevant persons. The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, from and including the date on which the European Union Prospectus Directive, or the E.U. Prospectus Directive, was implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the E.U. Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the E.U. Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the E.U. Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the E.U. Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the E.U. Prospectus Directive.

For the purposes of this provision, the expression an “offer of securities to the public” in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the E.U. Prospectus Directive in that Member State. The expression “E.U. Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or the SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market

Supervisory Authority FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale or invitation for subscription or purchase, of shares may not be circulated or distributed, nor may the shares be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) as specified in Section 276(7) of the SFA; or (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

LEGAL MATTERS

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, Menlo Park, California. Latham & Watkins LLP and certain attorneys and investment funds affiliated with the firm collectively own shares of our Series B and Series C convertible preferred stock which will be converted into an aggregate of 8,551 shares of common stock immediately prior to the completion of this offering.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements at December 31, 2013 and 2012, and for each of the two years in the period ended December 31, 2013, as set forth in their report. We have included our financial statements in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form S-1 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information with respect to Coherus BioSciences, Inc. and the common stock offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the registration statement and the exhibits and schedules filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street N.E., Room 1580, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address is www.sec.gov.

Upon consummation of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at www.coherus.com. Upon consummation of this offering, you may access our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on our website, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

Coherus BioSciences, Inc.

Index to Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coherus BioSciences, Inc.

We have audited the accompanying consolidated balance sheets of Coherus BioSciences, Inc. as of December 31, 2012 and 2013, and the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Coherus BioSciences, Inc. at December 31, 2012 and 2013, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Redwood City, California
August 4, 2014

Coherus BioSciences, Inc.

Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2012	December 31, 2013
Assets		
Current assets:		
Cash	$ 14,548	$ 39,554
Restricted cash	50	50
Receivables from related parties	158	278
Notes receivable from related parties	—	107
Prepaid assets	9,983	5,688
Other current assets	60	—
Total current assets	24,799	45,677
Property and equipment, net	1,605	1,743
Notes receivable from related parties — non-current	123	—
Other assets	6	27
Total assets	$ 26,533	$ 47,447
Liabilities, Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 2,209	$ 3,302
Accounts payable — related parties	1,693	383
Accrued and other liabilities	3,588	7,279
Deferred revenue	2,025	14,283
Convertible notes	—	1,111
Convertible notes — related parties	—	3,092
Convertible preferred stock warrant liability	1,738	24,251
Total current liabilities	11,253	53,701
Deferred revenue — non-current	6,076	28,567
Contingent liability to collaborator	—	7,500
Other liabilities — non-current	12	61
Total liabilities	17,341	89,829
Commitments and contingencies (Note 6)		
Series A convertible preferred stock, $0.0001 par value:		
Shares authorized: 1,800,000 at December 31, 2012 and 2013		
Shares issued and outstanding: 1,620,888 at December 31, 2012 and 2013		
Liquidation preference: $1,216 at December 31, 2012 and 2013	1,191	1,191
Series B convertible preferred stock, $0.0001 par value:		
Shares authorized: 14,692,297 and 26,290,997 at December 31, 2012 and 2013, respectively		
Shares issued and outstanding: 13,638,707 at December 31, 2012 and 2013		
Liquidation preference: $57,066 at December 31, 2012 and 2013	53,504	53,504
Stockholders' deficit:		
Common stock, $0.0001 par value:		
Shares authorized: 35,000,000 and 46,598,700 at December 31, 2012 and 2013, respectively		
Shares issued and outstanding: 8,059,063 and 8,064,479 at December 31, 2012 and 2013, respectively	1	1
Additional paid-in capital	453	2,514
Accumulated deficit	(45,957)	(99,592)
Total stockholders' deficit	(45,503)	(97,077)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 26,533	$ 47,447

See accompanying notes to consolidated financial statements.

Coherus BioSciences, Inc.

Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,	
	2012	2013
Revenue:		
Collaboration and license revenue — related party	$ 1,899	$ 2,025
Collaboration and license revenue	—	726
Total revenue	1,899	2,751
Operating expenses:		
Research and development (includes related party of $16,777 and $9,471 for the years ended December 31, 2012 and 2013, respectively)	34,886	31,279
General and administrative	5,531	7,465
Total operating expenses	40,417	38,744
Loss from operations	(38,518)	(35,993)
Interest expense (includes related party of $1,059 and $4,026 for the years ended December 31, 2012 and 2013, respectively)	(1,514)	(5,293)
Other income (expense), net	7,014	(12,349)
Net loss and comprehensive loss	$ (33,018)	$ (53,635)
Net loss per share, basic and diluted	$ (9.51)	$ (9.66)
Weighted-average number of shares used in computing net loss per share, basic and diluted	3,471,731	5,554,477
Pro forma net loss per share, basic and diluted (unaudited)		$ (1.68)
Weighted-average number of shares used in computing pro forma net loss per share, basic and diluted (unaudited)		24,488,112

See accompanying notes to consolidated financial statements.

Coherus BioSciences, Inc.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share and per share data)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balances at December 31, 2011	1,620,888	$1,191	—	$ —	8,500,000	$ 1	$ 5,658	$ (7,966)	$ (2,307)
Beneficial conversion feature related to 2011 Notes	—	—	—	—	—	—	(5,658)	(4,973)	(10,631)
Issuance of Series B convertible preferred stock at $4.1841 per share net of issuance costs of $3,562	—	—	7,289,500	26,938	—	—	—	—	—
Issuance of Series B convertible preferred stock at $4.1841 per share upon conversion of convertible promissory notes	—	—	2,540,742	10,631	—	—	—	—	—
Issuance of Series B convertible preferred stock at $4.1841 per share in exchange for services	—	—	3,712,865	15,535	—	—	—	—	—
Issuance of Series B convertible preferred stock upon exercise of warrants, including the reclassification of the associated convertible preferred stock warrant liability	—	—	95,600	400	—	—	—	—	—
Issuance of common stock upon exercise of options for cash	—	—	—	—	37,188	—	—	—	—
Repurchase of unvested founders shares	—	—	—	—	(478,125)	—	—	—	—
Vesting of restricted common stock issued to founders	—	—	—	—	—	—	10	—	10
Stock-based compensation expense	—	—	—	—	—	—	443	—	443
Net loss	—	—	—	—	—	—	—	(33,018)	(33,018)
Balances at December 31, 2012	1,620,888	1,191	13,638,707	53,504	8,059,063	1	453	(45,957)	(45,503)
Issuance of common stock upon exercise of options for cash	—	—	—	—	5,416	—	6	—	6
Vesting of restricted common stock issued to founders	—	—	—	—	—	—	10	—	10
Stock-based compensation expense	—	—	—	—	—	—	2,045	—	2,045
Net loss	—	—	—	—	—	—	—	(53,635)	(53,635)
Balances at December 31, 2013	1,620,888	$1,191	13,638,707	$53,504	8,064,479	$ 1	$ 2,514	$ (99,592)	$ (97,077)

See accompanying notes to consolidated financial statements.

Coherus BioSciences, Inc.

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2012	2013
Operating activities		
Net loss	$(33,018)	$(53,635)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	221	404
Remeasurement of convertible preferred stock warrant and embedded derivative liabilities	(639)	4,557
Fair value of warrants in excess of debt proceeds recognized at issuance	—	3,669
Fair value of embedded derivative in excess of debt proceeds recognized at issuance	—	4,096
Preferred stock issued in exchange for services	7,956	7,579
Gain on extinguishment of 2011 Notes	(6,369)	—
Noncash interest expense	1,514	5,293
Stock-based compensation expense	443	2,045
Changes in operating assets and liabilities:		
Notes receivable from related parties	(5)	16
Receivables from related parties	(158)	(120)
Prepaid assets	(1,999)	(3,284)
Other current assets	(50)	60
Other assets	207	(21)
Accounts payable	1,685	924
Accounts payable — related parties	1,693	(1,310)
Accrued and other liabilities	2,176	2,845
Deferred revenue	8,101	34,749
Contingent liability to collaborator	—	7,500
Other liabilities — non-current	(9)	56
Net cash (used in) provided by operating activities	(18,251)	15,423
Investing activities		
Purchases of property and equipment	(1,783)	(373)
Increase in restricted cash	(40)	—
Net cash used in investing activities	(1,823)	(373)
Financing activities		
Proceeds from issuances of Series B convertible preferred stock, net of issuance costs	26,938	—
Proceeds from issuance of convertible notes	—	2,900
Proceeds from issuance of convertible notes — related parties	—	7,050
Proceeds from issuance of common stock upon exercise of stock options	—	6
Net cash provided by financing activities	26,938	9,956
Net increase in cash	6,864	25,006
Cash at beginning of year	7,684	14,548
Cash at end of year	$ 14,548	$ 39,554
Supplemental disclosures of cash flow information		
Noncash investing and financing activities		
Conversion of 2011 Notes and accrued interest into Series B convertible preferred stock	$ 10,631	$ —
Reaquisition of beneficial conversion feature as a result of the conversion of 2011 Notes	$ 10,631	$ —
Issuance of Series B convertible preferred stock in consideration for prepaid services	$ 15,535	$ —
Vesting of restricted common stock	$ 10	$ 10
Reclassification of fair value of convertible preferred stock warrants to Series B preferred stock upon exercise	$ 400	$ —
Purchase of equipment in accounts payable	$ —	$ 169

See accompanying notes to consolidated financial statements.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements

1. Organization and Operations

Description of the Business

Coherus BioSciences, Inc. (the "Company" or "Coherus") was incorporated in the state of Delaware as BioGenerics, Inc. in September 2010 and changed its name to Coherus BioSciences, Inc. in April 2012. The Company is a late-stage clinical biologics platform company focused on the global biosimilar market. The Company's headquarters and laboratory are located in Redwood City, California and in Camarillo, California, respectively. The Company operates in one segment.

Need to Raise Additional Capital

The Company has incurred net operating losses since its inception and expects to continue to incur losses in the foreseeable future as the Company continues its research and development activities. As of December 31, 2013, the Company had cash of $39.6 million and an accumulated deficit of $99.6 million. The Company believes that its cash at December 31, 2013, together with the net cash proceeds of $54.7 million received from its sale of Series C convertible preferred stock in May 2014 (see Note 14), and the funding it expects to receive under the license agreements with Daiichi Sankyo Company, Limited ("Daiichi Sankyo") and Baxter International, Inc. ("Baxter") (see Note 5), will be sufficient to fund planned expenditures and meet the Company's obligations through at least December 31, 2014. Since inception, the Company has funded its operations primarily through private placements of its convertible preferred stock, debt financings and license payments and, at times, has paid its vendors using its equity securities. The Company will need to raise additional funds in the future, however, there can be no assurance that such efforts will be successful or that, in the event that they are successful, the terms and conditions of such financing will be favorable. Any failure to obtain additional financing may have a material adverse effect upon the Company and could result in a substantial reduction in the scope of the Company's operations. If the Company is unable to raise additional funding to meet its working capital needs, it may be forced to delay or significantly reduce the scope of its research and development programs.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The accompanying consolidated financial statements include the accounts of Coherus and its wholly owned subsidiaries as of December 31, 2013, Coherus Acquisition Corp. and Coherus Intermediate Corp. Unless otherwise specified, references to the Company are references to Coherus and its consolidated subsidiaries. All intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes are reasonable under the circumstances. The amounts of assets and liabilities reported in the Company's consolidated balance sheets and the amount of expenses and income reported for each of the periods presented are affected by estimates and assumptions, which are used for, but are not limited to, revenue recognition, determination of fair-value of common stock, convertible preferred stock

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

warrant liabilities, embedded derivative instruments, accounting for stock-based compensation, determining accruals for research and development costs and valuation of deferred tax assets. Actual results could differ from such estimates or assumptions.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash in bank accounts which at times exceed federally insured limits. The Company also maintains restricted cash in money market funds that invest primarily in U.S. Treasury securities. The Company has not recognized any losses from credit risks on such accounts during any of the periods presented. The Company believes it is not exposed to significant credit risk on its cash and money market funds.

Customer Concentration

Customers whose collaboration and license revenue accounted for 10% or more of total revenue were as follows:

	Year Ended December 31,	
	2012	2013
Daiichi Sankyo — related party	100%	74%
Baxter	—	26%

Restricted Cash

Restricted cash consists of cash held in a money market account with a bank, and which is collateral against the Company's corporate credit cards.

Fair Value of Financial Instruments

Fair value accounting is applied for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Maintenance and repairs are charged to expense as incurred, and costs of improvements are capitalized. Depreciation and amortization is recognized using the straight-line method over the following estimated useful lives:

Computer equipment and software	3 years
Furniture and fixtures	5 years
Machinery and equipment	5 years
Leasehold improvements	Shorter of lease term or useful life

Impairment of Long Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. Impairment, if any, is

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. As of December 31, 2012 and 2013, there have been no such impairments.

Convertible Preferred Stock

The Company records all shares of convertible preferred stock at their respective fair values on the dates of issuance. In the event of a change of control of the Company, proceeds received from the sale of such shares will be distributed in accordance with the liquidation preferences set forth in the Company's Amended and Restated Certificate of Incorporation unless the holders of convertible preferred stock have converted their shares of convertible preferred stock into shares of common stock. Therefore, convertible preferred stock is classified outside of stockholders' deficit on the consolidated balance sheets as events triggering the liquidation preferences are not solely within the Company's control. The Company has elected not to adjust the carrying values of the convertible preferred stock to the liquidation preferences of such shares because of the uncertainty of whether or when such an event would occur.

Convertible Preferred Stock Warrant Liability

The Company classifies warrants exercisable for shares of the Company's Series A and Series B convertible preferred stock as derivative liabilities and adjusts their carrying value to fair value at the end of each reporting period. At the end of each reporting period, changes in the fair value of the convertible preferred stock warrant liability during the period are recorded as a component of other income (expense), net, in the consolidated statements of operations and comprehensive loss. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants, at which time the liability would be reclassified to preferred stock.

Embedded Derivative Liability

The Company records derivative instruments related to redemption features embedded within the outstanding convertible notes. The embedded derivatives are accounted for as a liability and are remeasured to fair value as of each balance sheet date, with the related remeasurement adjustment being recognized as a component of other income (expense), net in the consolidated statements of operations and comprehensive loss.

Accrued Research and Development Expenses

Clinical trial costs are a component of research and development expenses. The Company accrues and expenses clinical trial activities performed by third parties based upon actual work completed in accordance with agreements established with clinical research organizations and clinical sites. The Company determines the actual costs through monitoring patient enrollment and discussions with internal personnel and external service providers as to the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists; transfer of technology has been completed, services have been performed or products have been delivered; the fee is fixed and determinable; and collection is reasonably assured.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The Company enters into collaboration and license agreements for the development and commercialization of biosimilar products. The Company's performance obligations under the terms of these agreements may include (i) transfer of intellectual property rights (licenses), (ii) providing research and development services, (iii) the manufacture of drug materials for development purposes and (iv) participation on certain committees with the collaborators. Payments to the Company under these agreements may include nonrefundable upfront license fees, payments for research and development services, payments for the manufacture of drug materials, payments based upon the achievement of defined collaboration objectives and royalties on product sales. Under these agreements the Company may convey the right to sell products resulting from the collaborative efforts of the parties in specific geographic territories.

For revenue agreements with multiple-elements, the Company identifies the deliverables included within the agreement and evaluates which deliverables may represent separate units of accounting based on the achievement of certain criteria, including whether the delivered element has stand-alone value to the collaborator. Deliverables under the arrangement are a separate unit of accounting if (i) the delivered item has value to the customer on a standalone basis and (ii) if the arrangement includes a general right of return relative to the delivered item and delivery or performance of the undelivered items are considered probable and substantially within the Company's control.

The Company determines how to allocate arrangement consideration to identified units of accounting based on the selling price hierarchy provided under the relevant guidance. The selling price used for each unit of accounting is based on vendor-specific objective evidence, if available, third-party evidence if vendor-specific objective evidence is not available or estimated selling price if neither vendor-specific nor third-party evidence is available. Management may be required to exercise considerable judgment in determining whether a deliverable is a separate unit of accounting and in estimating the selling prices of identified units of accounting under its agreements.

Upfront payments received in connection with licenses of the Company's technology rights are deferred if facts and circumstances dictate that the license does not have stand-alone value. Such payments are recognized as license revenue over the estimated period of performance that is generally consistent with the terms of the research and development obligations contained in the specific collaboration and license agreement. The Company regularly reviews the estimated period of performance based on the progress made under each arrangement. Amounts received as funding of research and development activities are recognized as revenue if the collaboration arrangement involves the sale of the Company's research or development services. However, such funding is recognized as a reduction in research and development expense when the Company engages in a research and development project jointly with another entity, with both entities participating in project activities and sharing costs and potential benefits of the arrangement.

Payments that are contingent upon the achievement of a substantive milestone are recognized in their entirety in the period in which the milestone is achieved, assuming all other revenue recognition criteria are met. Milestones are defined as an event that can only be achieved based on the Company's performance and there is substantive uncertainty about whether the event will be achieved at the inception of the arrangement. Events that are contingent only on the passage of time or only on counterparty performance are not considered milestones under accounting guidance. The Company's evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the Company's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required to achieve the respective milestone and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Other contingent payments in which a portion of the payment is refundable or adjusts based on future performance or non-performance (e.g., through a penalty or claw-back provision) are not considered to relate solely to the Company's past performance, and therefore, not considered substantive. Non-substantive contingent payments are classified as deferred revenue if they are ultimately expected to result in revenue recognition. The Company recognizes non-substantive contingent payments over the remaining estimated period of performance once the specific objective is achieved. Any portion of the non-substantive contingent payments which may be required to be refunded to the collaborator are not included in deferred revenue and instead are reflected as contingent liability to collaborator on the consolidated balance sheets.

Contingent payments associated with the achievement of specific objectives in certain contracts that are not considered substantive because the Company does not contribute effort to the achievement of such milestones are recognized as revenue upon achievement of the objective, as long as there are no undelivered elements remaining and no continuing performance obligations by the Company, assuming all other revenue recognition criteria are met.

Research and Development Expenses

Research and development costs are charged to expenses as incurred. Research and development expenses include, among other costs, salaries and other personnel-related costs, consultant fees, preclinical costs, cost to manufacture drug candidates and clinical supplies, laboratory supplies costs and facility-related costs. Costs incurred under agreements with third parties are charged to expense as incurred in accordance with the specific contractual performance terms of such agreements. Costs of third parties include costs associated with preclinical and clinical support activities. In certain cases, amounts received as reimbursement of research and development activities from the Company's collaborators are recognized as a reduction in research and development expense when the Company engages in a research and development project jointly with another party, with both parties incurring costs while actively participating in project activities and both parties sharing costs and potential benefits of the arrangement. Costs incurred under the arrangements where the Company provides research services approximate the amount of revenues recorded. Advance payments for goods or services to be received in the future to be utilized in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the related goods are delivered or the services are received.

Stock-Based Compensation

The Company measures the cost of equity-based service awards based on the grant-date fair value of the award, and recognizes the cost of such awards ratably over the period during which the employee is required to provide service in exchange for the award (generally the vesting period). Because non-cash stock compensation expense is based on awards ultimately expected to vest, it is reduced by an estimate for future forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates.

The Company accounts for equity instruments issued to nonemployees using the fair value approach. These equity instruments consist of stock options and restricted common stock, which are valued using the Black-Scholes option-pricing model. Stock-based compensation expense is recognized as the equity instruments are earned. The measurement of stock-based compensation is subject to periodic adjustments as the underlying equity instruments vest.

The Company utilizes the Black-Scholes option-pricing model for estimating fair value of its stock options and restricted stock granted. Option valuation models, including the Black-Scholes option-pricing model, require

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant-date fair value of an award. These assumptions include the risk-free rate of interest, expected dividend yield, expected volatility, the expected life of the award, and estimated forfeitures.

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company must then assess the likelihood that the resulting deferred tax assets will be realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. Due to the Company's lack of earnings history, the net deferred tax assets have been fully offset by a valuation allowance.

The Company recognizes uncertain income tax positions at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had accrued no amounts for interest and penalties in the Company's consolidated balance sheets at December 31, 2012 and 2013.

Comprehensive Loss

Comprehensive loss is comprised of two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to gains and losses that under U.S. GAAP are recorded as an element of stockholders' deficit, but are excluded from net loss. The Company did not record any transactions within other comprehensive income (loss) in the periods presented and, therefore, the net loss and comprehensive loss were the same for all periods presented.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding for the period, without consideration for potential dilutive common shares. Since the Company was in a loss position for all periods presented, basic net loss per share is the same as diluted net loss per share as the inclusion of all potential dilutive common shares would have been anti-dilutive. Common shares subject to repurchase are excluded from the computation of weighted average shares as the continued vesting of such shares is contingent upon the holders' continued service to the Company. For the computation of net loss per share for the years ended 2012 and 2013, 3,585,685 and 1,272,470 shares subject to repurchase, respectively, were excluded from the computation of net loss per share, basic and diluted.

Unaudited Pro Forma Net Loss per Share

Unaudited pro forma basic and diluted net loss per share has been computed to give effect to the assumed conversion of all outstanding shares of the Company's convertible preferred stock and the cash exercise of the convertible preferred stock warrants upon the closing of the initial public offering ("IPO") as such warrants, if not exercised, will automatically be net exercised prior to the IPO. Also, the numerator in the pro forma basic and diluted net loss per share calculation has been adjusted to remove gains or losses resulting from the remeasurement of the convertible preferred stock warrant liability. The pro forma net loss per share does not include the shares expected to be sold and related proceeds to be received from the IPO. For purposes of pro

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

forma basic and diluted net loss per share, all shares of convertible preferred stock have been treated as though they had been converted to common stock on the earlier of January 1, 2013 or as of the date such shares were issued.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. This guidance is effective for the fiscal years and interim reporting periods beginning after December 15, 2016, at which time the Company may adopt the new standard under the full retrospective method or the modified retrospective method. Early adoption is not permitted. The Company is currently evaluating the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements and related disclosures.

In June 2014, the FASB issued ASU 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation.* ASU 2014-10 simplifies the accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments related to the elimination of the inception-to-date information and other disclosure requirement of Topic 915 should be applied retrospectively and are effective for annual reporting periods beginning after December 15, 2014 and interim periods therein. Early adoption is permitted. The Company early adopted ASU 2014-10 effective as of January 1, 2012. Adoption of this standard had no impact on the Company's financial position, results of operations or cash flows; however, the presentation of the financial statements has been changed to eliminate the disclosures that are no longer required.

The Company has reviewed other recent accounting pronouncements and concluded they are either not applicable to the business or no material effect is expected on the consolidated financial statements as a result of future adoption.

3. Fair Value Measurements

Financial assets and liabilities are recorded at fair value. The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts payable and other current liabilities approximate their fair value due to their short maturities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting guidance describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last is considered unobservable. These levels of inputs are the following:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

3. Fair Value Measurements (continued)

The Company's financial instruments consist of Level 1 assets and Level 3 liabilities. Where quoted prices are available in an active market, securities are classified as Level 1. Level 1 assets consist of highly liquid money market funds that are included in restricted cash. There were no unrealized gains and losses in the Company's investments in these money market funds.

In certain cases where there is limited activity or less transparency around inputs to valuation, securities are classified as Level 3. Level 3 liabilities consist of the convertible preferred stock warrant liability and embedded derivative instruments.

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements are as follows (in thousands):

	Fair Value Measurements December 31, 2012			
	Total	Level 1	Level 2	Level 3
Assets:				
Restricted cash (money market funds)	$ 50	$ 50	$ —	$ —
Liabilities:				
Convertible preferred stock warrant liability	$ 1,738	$ —	$ —	$ 1,738

	Fair Value Measurements December 31, 2013			
	Total	Level 1	Level 2	Level 3
Assets:				
Restricted cash (money market funds)	$ 50	$ 50	$ —	$ —
Liabilities:				
Convertible preferred stock warrant liability	$24,251	$ —	$ —	$24,251

There were no transfers between Level 1 and Level 2 during the periods presented.

The Company issued convertible notes in 2011 and 2013 (see Note 7). In connection with the convertible notes, the Company agreed to issue warrants to purchase shares of its preferred stock, the 2011 Warrants B and 2013 Warrants. The convertible notes also contained redemption features which were determined to be embedded derivatives requiring fair value accounting. The aggregate principal under the convertible notes issued in 2013 of $10.0 million was less than the initial fair value of the warrants and embedded derivatives of $13.6 million and $4.1 million, respectively, therefore, the entire loan principal balance of $10.0 million was offset by only a portion of the debt discount, as the debt could not be reduced to a carrying value amount which was less than zero. The difference of $3.6 million and $4.1 million associated with the convertible preferred stock warrant liability and embedded derivatives, respectively, was immediately charged to other income (expense), net, in the consolidated statements of operations and comprehensive loss (see Note 7 and Note 8 for further detail regarding the determination and valuation of the embedded derivatives and convertible preferred stock warrant liability, respectively).

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

3. Fair Value Measurements (continued)

The fair values of the convertible preferred stock warrant liability and embedded derivatives were based on the following assumptions as of the issuance dates and as of December 31, 2013:

	July 2013 Issuance	August and September 2013 Issuance	December 31, 2013
Discount rate	30%	30%	30%
Weighted-average scenario probabilities:			
New equity financing	25%	65%	63%
New equity financing at lower valuation then previous financing	5%	5%	7%
Initial public offering	5%	5%	10%
Change of control	25%	5%	—
Maturity	40%	20%	20%

Preferred Stock Warrant Liability

The Company determined the fair value of the warrants issued by allocating the Company's equity value, using the Probability-Weighted Expected Return Method ("PWERM"). The Company's equity value was allocated among preferred stock, common stock, warrants and stock options expected to be outstanding at the liquidity events based on the rights and preferences of each class. The PWERM includes assumptions related to the fair value of the shares, the exercise price, expected volatility, expected term, risk-free interest rate and the expected dividend yield. The estimated expected volatility was based on the volatility of common stock of a group of comparable, publicly-traded companies. The estimated expected term was based on the estimated time to liquidity event. The risk-free interest rate was based on the U.S. Treasury yield for a term consistent with the estimated expected term. The significant unobservable input used in the fair value measurement of the convertible preferred stock warrant liability is the fair value of the underlying preferred stock at the valuation remeasurement date. Generally, increases (decreases) in the fair value of the underlying preferred stock would result in a directionally similar impact to the fair value measurement.

The following table sets forth a summary of the changes in the estimated fair value of the convertible preferred stock warrants (in thousands):

	December 31,	
	2012	2013
Balance, beginning of year	$2,777	$ 1,738
Warrants issued in connection with notes payable	—	9,950
Initial fair value of the warrants issued in excess of debt proceeds recognized in other income (expense), net	—	3,669
Warrants exercised	(400)	—
Change in fair value of convertible preferred stock warrant liability	(639)	8,894
Balance, end of year	$1,738	$24,251

Embedded Derivatives in Convertible Notes

The convertible notes issued in 2011 and 2013 had redemption features which were determined to be embedded derivatives requiring bifurcation and separate accounting. The fair value of the derivatives were determined based on an income approach that identified the cash flows using a "with-and-without" valuation

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

3. Fair Value Measurements (continued)

methodology. The inputs used to determine the estimated fair value of the derivative instruments are based largely on the probability of an underlying event triggering the embedded derivative occurring and the timing of such event. The only derivative that had any significant value was the derivative liability corresponding to the redemption feature in the 2013 Notes associated with the option to receive a cash payment equal to 400% of outstanding principal plus accrued interest upon a change of control prior to a qualified licensing transaction ("QLT").

The Company periodically remeasured the derivative instrument to fair value as of each balance sheet date. In December 2013, following the receipt of the upfront license payment from Baxter license agreement (see Note 5), the Company achieved the QLT. As a result, upon a change of control, the redemption feature related to the holders' option to receive a cash payment in lieu of conversion into Series B convertible preferred stock was reduced from 400% to 100% of the outstanding principal, plus accrued interest. As such, the fair value of the derivative liability was reduced to zero at the time of the achievement of the QLT in December 2013.

The following table sets forth a summary of the changes in the estimated fair value of the derivative instrument (in thousands):

	December 31, 2013
Balance, beginning of year	$ —
Initial fair value of the embedded derivative issued in excess of debt proceeds recognized in other income (expense), net	4,096
Change in fair value of embedded derivative	(4,096)
Balance, end of year	$ —

4. Balance Sheet Components

Prepaid Assets

Prepaid assets are as follows (in thousands):

	December 31,	
	2012	2013
Prepaid clinical, material and manufacturing — related parties	$9,058	$3,177
Prepaid clinical, material and manufacturing	583	1,758
Prepaid other	342	753
Prepaid assets	$9,983	$5,688

Contemporaneous with the initial and subsequent closings of the Series B convertible preferred stock, the Company issued shares of Series B convertible preferred stock with a total fair value of $3.5 million and $12.0 million in January 2012 and December 2012, respectively, to various vendors in exchange for past and future services (see Note 9). To the extent the vendors would provide future services, the Company initially recorded a prepayment for the future services and a corresponding amount to Series B convertible preferred stock based on the fair value of the Series B convertible preferred stock on the dates such preferred shares were issued. The Company recognized the cost of the services as such services were provided as research and development expense based on invoiced amounts with a corresponding offset to prepaid assets. As of December 31, 2012 and 2013, the remaining balance of the prepayment related to the stock issuance was $7.6 million and $0, respectively, included in the above table as prepaid clinical, material and manufacturing — related parties.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

4. Balance Sheet Components (continued)

Property and Equipment, Net

Property and equipment are as follows (in thousands):

	December 31, 2012	December 31, 2013
Machinery and equipment	$1,535	$2,051
Computer equipment and software	61	79
Furniture and fixtures	145	147
Leasehold improvements	90	91
Total property and equipment	1,831	2,368
Accumulated depreciation and amortization	(226)	(625)
Property and equipment, net	$1,605	$1,743

Depreciation and amortization expense was $221,000 and $404,000 for the years ended December 31, 2012 and 2013, respectively.

In June 2013, as part of a clinical manufacturing service agreement, the Company granted a first priority security interest to the Company's property and equipment located in Camarillo, California to Cook Pharmica LLC ("Cook"), a CMO.

During July 2013 and September 2013, the Company entered into the Bridge Loans (see Note 7), which were collateralized by a security interest in all of the Company's assets, tangible and intangible, subject to a prior security interest held by Cook on the Company's property and equipment located in Camarillo, California as discussed above.

Accrued and Other Liabilities

Accrued and other liabilities are as follows (in thousands):

	December 31, 2012	December 31, 2013
Accrued clinical and manufacturing — related parties	$1,323	$2,792
Accrued compensation	462	1,549
Accrued professional and consulting fees	1,006	995
Accrued other	774	1,922
Other current liabilities	23	21
Accrued and other liabilities	$3,588	$7,279

5. Collaboration and License Agreements

The Company recognized revenue related to its collaboration and license agreements as follows (in thousands):

	Year Ended December 31, 2012	Year Ended December 31, 2013
Daiichi Sankyo — related party	$1,899	$2,025
Baxter	—	726
Total revenue	$1,899	$2,751

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

5. Collaboration and License Agreements (continued)

Daiichi Sankyo

In January 2012, the Company entered into a license agreement with Daiichi Sankyo, under which the Company granted certain licenses to Daiichi Sankyo to develop and commercialize biosimilar forms of etanercept and rituximab in Japan, Taiwan, South Korea with an option to develop in China. Under the terms of the agreement, the Company will be responsible for the manufacturing and supply of the products during the development activities and Daiichi Sankyo will conduct the development, regulatory approval filings, and commercialization activities of the biosimilar form of etanercept and rituximab products in Japan. Once the biosimilar forms of etanercept and rituximab are commercialized, the Company is entitled to royalties based on net sales by Daiichi Sankyo on a product-by-product basis in the licensed territories ranging from the low double digits to high teens, on a product-by-product basis. If the Company is manufacturing product, the Company is eligible to receive an incremental royalty reflecting the manufacturing costs for each licensed product which, when combined with the base royalty, will result in royalties equal to a percentage of net sales of licensed products ranging from the low to high-twenties, on a product-by-product basis.

Upon execution of the agreement, Daiichi Sankyo paid a non-refundable, upfront license fee of $10.0 million and purchased 4,780,000 shares of Series B convertible preferred stock at a price of $4.1841 per share, or $18.1 million in net cash proceeds. The Company concluded that there was no premium or discount associated with the purchase of the Series B convertible preferred stock since Daiichi Sankyo paid the same price paid by other investors at the close of the Series B convertible preferred stock offering which also occurred in January 2012. As such the Company recorded the $18.1 million as a convertible preferred stock transaction separate from the license agreement. The agreement has an initial term of ten years and contains provisions allowing Daiichi Sankyo to renew the agreement for an additional three years with respect to particular countries. Daiichi Sankyo also has the right to terminate the agreement, in its entirety or on a country-by country basis, at any time if the development and/or commercialization is deemed to not be commercially viable, there are material safety, efficacy or patient tolerability issues that cannot be remedied or overcome, or during the opt-out window after the achievement of specified objectives in the agreement. In May 2012, Daiichi Sankyo opted out of the development and commercialization of etanercept in Taiwan and South Korea, and in August 2012, Daiichi Sankyo chose not to exercise their option with respect to the development and commercialization of etanercept and rituximab in China.

The Company identified the following deliverables under the agreement: (1) the transfer of intellectual property rights (license), and (2) the manufacture of drug materials for clinical development purposes. The Company considered the provisions of the multiple-element arrangement guidance in determining how to recognize the total consideration of the agreement. The Company has concluded that the license is not a separate unit of accounting because Daiichi Sankyo cannot obtain benefit from the use of the license rights for their intended purpose without the products manufactured by the Company. Daiichi Sankyo must rely upon the Company to manufacture and supply the products necessary for Daiichi Sankyo’s development because the related manufacturing know-how specific to the products is proprietary to the Company and Daiichi Sankyo does not have the right to manufacture the licensed product. The Company determined that neither of the deliverables have standalone value and, therefore, the deliverables are accounted for as a single unit of accounting with the upfront fee recognized as revenue on a straight-line basis over its estimated period of performance of approximately five years. The Company determined that there is no other method that is more appropriate than the straight-line method of revenue recognition for this agreement given there is no discernable pattern of its performance under the arrangement.

In June 2013, the Company and Daiichi entered into a Memorandum of Understanding No. 1 (the “MOU 1”) in which both parties agreed to cooperate and share costs to conduct a global Phase 1 study of a biosimilar form of etanercept. This program was not originally contemplated in the license agreement. Under the MOU 1,

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

5. Collaboration and License Agreements (continued)

the Company will gather all clinical data, format it into a case study report, and conduct the final analysis. The Company will transfer the clinical data and other regulatory approval application documents for the product and post marketing to Daiichi Sankyo within 90 days after such documents are finalized. Under the MOU 1, Daiichi's Sankyo's overall cost sharing responsibility include (i) 33% of the total budgeted cost and (ii) 100% of the cost of the comparator drug (Enbrel) used for the Japanese volunteers. The amounts received from Daiichi Sankyo under this cost sharing responsibility are recognized as a reduction in research and development expense as the Company engages in a research and development project jointly with Daiichi Sankyo, with both parties incurring costs while actively participating in development activities and both parties sharing costs and potential benefits of the arrangement. The Company accounted for the MOU 1 as a separate arrangement which was not deemed to be a material modification of the original license agreement with Daiichi Sankyo.

As of December 31, 2012, $8.1 million of revenue was deferred under the agreement, of which $2.0 million was included in current liabilities and $6.1 million was included in non-current liabilities in the consolidated balance sheet. As of December 31, 2013, $6.1 million of revenue was deferred under this agreement, of which $2.0 million was included in current liabilities and $4.1 million was included in non-current liabilities in the consolidated balance sheet. In addition, the Company recognized $157,000 and $1.3 million as a reduction of research and development expense related to the costs reimbursed by Daiichi Sankyo in the Company's statements of operations and comprehensive loss for the years ended December 31, 2012 and 2013, respectively.

In January 2014, the Company and Daiichi Sankyo entered into a Memorandum of Understanding No. 2 (the "MOU 2") in which both parties agreed to cooperate to conduct a global Phase 3 clinical trial in rheumatoid arthritis and that Daiichi Sankyo will be responsible for a minimum of 20% of the cost of the clinical trial. Also, both parties entered into a clinical supply agreement contemporaneously with the MOU 2 in which the Company will supply finished study drug and study comparator drug for Daiichi Sankyo's use in the Japanese portion of the product's clinical trial. Daiichi Sankyo shall reimburse these research and development costs in quarterly advance payments. The Company will recognize the advance payment as a reduction in the research and development expense when the research and development activity has been performed.

Baxter

In August 2013, the Company entered into a license agreement with Baxter to develop and commercialize an etanercept biosimilar molecule, CHS-0214, worldwide, excluding the United States, Japan, Taiwan, South Korea, China and most of the Caribbean and South American nations. The agreement allowed for the development and commercialization of an alternative biosimilar to etanercept, and the expansion of the collaboration to include another product which lapsed in December 2013.

Under the terms of the agreement, the Company will conduct the development and the regulatory activities, and Baxter will conduct the commercialization of the etanercept biosimilar product. In consideration of the exclusive, royalty-bearing license to develop, commercialize and use the etanercept biosimilar product, Baxter made an upfront payment of $30.0 million to the Company. Additionally, the Company is eligible to receive up to $216.0 million in contingent payments composed of $96.0 million in clinical development payments and up to $120.0 million in regulatory milestone payments. If the cumulative development costs exceed the cumulative contingent payments, Baxter will reimburse the Company for the excess cost as set forth in the agreement up to predetermined limits. Once the etanercept biosimilar product is commercialized, the Company is entitled to tiered royalties, based on the manufacturing cost as a percentage of net sales of licensed products, ranging from the mid-single digits to the high teens on a country-by-country basis. These royalties are subject to certain offsets and reductions.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

5. Collaboration and License Agreements (continued)

The agreement has an initial term of ten years and contains provisions allowing Baxter to renew the agreement for another three years on a country-by-country basis. Baxter also has the right to terminate the agreement, in its entirety or on a country-by country basis, at any time if the development and/or commercialization is deemed to not be commercially viable, there are material safety, efficacy or patient tolerability issues that cannot be remedied or overcome, if aggregate expenses exceed certain thresholds or after the first commercial sale upon 18 month prior written notice.

The Company identified the following deliverables under the license agreement with Baxter: 1) the transfer of intellectual property rights (license), (2) the obligation to provide research and development services including the manufacturing and supply of clinical product, and (3) the obligation to participate on various committees.

The Company considered the provisions of the multiple-element arrangement guidance in determining how to recognize the total consideration of the agreement. The Company determined that the license does not have standalone value to Baxter without the Company's technical expertise as it relates to the development of the product candidate and committee participation. Additionally, the license to Baxter does not include the right to manufacture, or have manufactured the product during the development stage, or to conduct any process development activities. Therefore, the Company concluded that these deliverables represent a single unit of accounting under the multiple-element arrangement guidance.

The upfront payment of $30.0 million and clinical development payments of up to $96.0 million include $56.0 million of contingent payments that are intended to cover development related expenses incurred by the Company, but potentially reimbursable, in part, to Baxter under certain limited circumstances. The Company concluded that the contingent payments that contain potentially reimbursable amounts to Baxter are not substantive milestones under the relevant accounting guidance, since the guidance does not allow the substantive milestone components of a payment to be bifurcated from non-substantive milestone components. The amounts that are contingent payments also contain a claw-back feature that, in the event that the Company commercializes the etanercept biosimilar molecule in the U.S., fifty percent (50%) of those contingent payments are refundable to Baxter. Therefore, the Company will record the portion of the non-substantive contingent payment that contains the claw-back feature as a liability for the potential reimbursement of such funds to Baxter until the earlier of: (1) expiration or termination of the license agreement, which is ten years, or the determination of the party to commercialize the molecule in the U.S. These amounts are included in the contingent liability to collaborator on the consolidated balance sheets. The portion of the non-substantive milestone payment that does not contain the claw-back feature will be recorded as deferred revenue and recognized as license revenue on a straight-line basis over the remaining estimated performance period of approximately three years. The Company determined that there is no other method that is more appropriate then the straight-line method of revenue recognition for this agreement given there is no discernable pattern of performance under the arrangement.

The $120.0 million of regulatory milestone payments are considered substantive as the achievement is subject to the significant uncertainty as to the outcome of the development efforts, by the Company, over an extended period of time, and the Company's substantive performance obligation under the license agreement which includes efforts associated with the clinical trials and filing and approval of drug applications by regulatory authorities in various countries. Therefore, the Company will recognize revenue associated with these respective contingent payments when each of the specific events is achieved.

The upfront payment of $30.0 million includes $10.0 million designated as a contingent payment. Due to the potential for the Company to refund the 50% of the contingent payment to Baxter, $5.0 million of the $10.0 million payment was recorded as contingent liability to collaborator in the consolidated balance sheet. The remaining amount of $5.0 million together with the $20.0 million, or $25.0 million, has been recorded as deferred revenue and is being amortized over the remaining estimated performance of period under the agreement using the straight line method.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

5. Collaboration and License Agreements (continued)

In December 2013, the Company received a payment of $15.0 million resulting from the lapse of the opt-out period as a result of Baxter's decision not to opt out of the agreement. The payment includes $5.0 million designated as a contingent payment. Due to the potential for the Company to refund 50% of that contingent payment to Baxter, $2.5 million of the $5.0 million payment was recorded as a contingent liability to collaborator in the consolidated balance sheet. The remaining amount of $2.5 million together with the $10.0 million, or $12.5 million, has been recorded as deferred revenue and is being amortized over the remaining estimated performance of period under the agreement using the straight line method.

As of December 31, 2013, $36.8 million of revenue was deferred under this agreement, of which $12.3 million was included in current liabilities and $24.5 million was included in non-current liabilities in the consolidated balance sheet. As of December 31, 2013, $7.5 million, composed of $5.0 million of the upfront fee and $2.5 million of the December 2013 payment, was recorded as a contingent liability to collaborator in the consolidated balance sheet due to the potential refund to Baxter.

In February 2014, the Company and Baxter amended the license agreement to increase the non-substantive contingent payments for an additional $5.3 million representing additional costs incurred by the Company which were not originally contemplated. The Company concluded that this amendment did not materially affect the underlying terms and conditions of the original agreement. Therefore, the Company will recognize the additional non-substantive contingent payment over the remaining performance period from the amendment date.

6. Commitments and Contingencies

Purchase Commitments

The Company enters into contracts in the normal course of business with contract research organizations ("CRO") for preclinical studies and clinical trials and contract manufacturing organizations ("CMO") for the manufacture of clinical trial materials. As of December 31, 2013, the Company has commitments of $4.1 million with CMOs for the manufacture of clinical trial material due within a year. The Company also has an agreement with Medpace, Inc. ("Medpace"), a CRO, which provides for a minimum fee commitment of $35.0 million, in aggregate, for clinical trial services; however, the agreement is cancelable without cause upon 30 days prior notification by either party. As of December 31, 2013, $5.7 million of the services related to this agreement have been performed.

Facilities Leases

The Company leases office spaces for its corporate headquarters in Redwood City, California and for laboratory facilities in Camarillo, California under operating lease agreements. Rent expense is recognized on a straight-line basis over the term of the lease and accordingly, the Company records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability. The corporate headquarters lease expires in September 2016, and the laboratory lease expires in June 2017 with an option to extend for three years.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

6. Commitments and Contingencies (continued)

The future minimum lease payments for these facilities as of December 31, 2013 are as follows (in thousands):

Year ending December 31,	
2014	$ 516
2015	550
2016	443
2017	46
Total minimum lease payments	$1,555

Rent expense was $371,000 and $428,000 for the years ended December 31, 2012 and 2013, respectively.

Guarantees and Indemnification

The Company has indemnification agreements with two members of the board of directors and one member of the Company's Scientific Advisory Board for certain events or occurrences, subject to certain limits, while they are or were serving at the Company's request in such capacities. The term of each indemnification period lasts as long as these board members may be subject to any proceeding arising out of acts or omissions of such director in such capacity.

The maximum amount of potential future indemnification is unlimited; however, the Company currently holds director and officer liability insurance. This insurance allows the transfer of risk associated with the Company's exposure and may enable the Company to recover a portion of any future amounts paid. The Company believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to these obligations for any period presented.

7. Debt Obligations

Convertible Notes Issued in 2011

From July to December 2011, the Company entered into convertible note agreements (the "2011 Notes") with investors, which included multiple closings. In July 2011, the initial closing had an aggregate principal amount of $3.8 million, and the subsequent closings occurred in August, October, November and December 2011 raising an aggregate principal amount of $6.6 million. The initial closing of $3.8 million consisted of $3.5 million of cash received from the investors and $260,000 of accrued employee compensation and/or bonuses payable by the Company that were converted into convertible notes for the balances owed to the individuals. The 2011 Notes bore interest of 8% per annum and had a maturity date of March 31, 2012. The outstanding principal and accrued interest on the 2011 Notes were convertible: (i) automatically upon a financing event in which the Company issued newly authorized shares of stock into that same stock at a conversion price equal to the price paid by the other investors in that financing event, (ii) upon a change of control or IPO, at the option of the note holder, into shares of Series A convertible preferred stock at a conversion price of $0.75 per share or (iii) upon the maturity date, at the request of the majority note holders, if the financing event above had not occurred on or before the maturity date, into shares of Series A convertible preferred stock at a conversion price of $0.75 per share. In connection with the issuance of the 2011 Notes, the Company issued warrants (the "2011 Warrants B") to purchase shares of its preferred stock at an exercise price of $0.01 per share (see Note 8).

Upon issuance of the 2011 Notes, the Company recorded the fair value of the warrants of $2.7 million as a debt discount and convertible preferred stock warrant liability (see Note 8). The Company also recorded a

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

7. Debt Obligations (continued)

beneficial conversion feature of $5.4 million as a debt discount with a corresponding increase to additional paid-in capital. The debt discount was accreted using the effective interest method as additional interest expense over the term of the 2011 Notes.

In January 2012, as a result of the Series B convertible preferred stock financing event (see Note 9), the outstanding principal of $10.4 million and accrued interest of $236,000 related to the 2011 Notes automatically converted into 2,540,742 shares of Series B convertible preferred stock using a conversion price which represented the same issuance price of $4.1841 per share paid by other Series B investors. Contemporaneously, the Company reacquired the beneficial conversion feature and recorded $6.4 million related to the gain on the extinguishment of the 2011 Notes. In addition, the 2011 Warrants B became warrants to purchase 587,543 shares of Series B convertible preferred stock for $0.01 per share.

During the year ended December 31, 2012, the Company recognized interest expense of $1.5 million related to the accrued interest and amortization of debt discount, of which $1.0 million related to beneficial conversion feature, $433,000 related to debt discount amortization and $53,000 related to interest on the outstanding debt.

Convertible Notes Issued in 2013

During July 2013 to September 2013, the Company entered into convertible note agreements (the “Bridge Loans”) with various stockholders, employees and institutions for an aggregate principal amount of $10.0 million. The Bridge Loans bore interest of 8% per annum and would mature on July 15, 2014. The principal and the accrued interest on the Bridge Loans were convertible: (i) automatically upon a future issuance of the Company’s preferred or common stock into that same stock at a conversion price equal to the price paid by other investors in the financing event, (ii) at the option of the holder, upon a change of control, into shares of Series B convertible preferred stock at a conversion price of $4.1841 per share, (iii) automatically upon an IPO into shares of Series B convertible preferred stock at a conversion price equal to the lesser of $4.1841 per share or the price per share paid in the IPO or (iv) upon the election of the holders, if the financing events stated above had not occurred on or before maturity date, into shares of Series B convertible preferred stock with a conversion price of $4.1841 per share. In addition, upon a change of control, the holders were entitled to receive a cash payment equal to 400% of the outstanding principal, plus accrued interest, in lieu of conversion into Series B convertible preferred stock if the Company did not meet the QLT threshold. The QLT is deemed to have been achieved when (i) the Company has entered into a transaction with a third party to sell or offer to sell any product candidates of the Company that provides for aggregate cash payments of at least $50.0 million payable within 12 months and (ii) the Company has received cash payments of at least $25.0 million within 12 months following the execution of the agreement due to any milestones. On December 9, 2013, the QLT was deemed to have been achieved.

In connection with the Bridge Loans, the Company also issued warrants to purchase shares of its convertible preferred stock at an exercise price of $0.01 per share. The determination of the number of shares issuable pursuant to the 2013 warrants was determined based on 300% of the principal amount of the Bridge Loans divided by the conversion price (the “2013 Warrants”) (see Note 8). In addition, at the issuance date of the notes, there was a beneficial conversion feature. The total aggregate Bridge Loans of $10.0 million was less than the initial fair value of the warrants of $13.6 million at the issuance date, therefore $10.0 million was recognized as debt discount, and the difference of $3.6 million was immediately charged to other income (expense), net in the consolidated statement of operations and comprehensive loss as the debt cannot be reduced to less than zero. No value was recorded initially for the beneficial conversion feature since the carrying value of the debt was zero. The debt discount of $10.0 million is being accreted using the effective interest method as an additional interest expense over the term of the Bridge Loans.

The Bridge Loans redemption features were determined to be embedded derivatives requiring bifurcation and separate accounting. The fair value of the embedded derivative liability at issuance was determined to be

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

7. Debt Obligations (continued)

$4.1 million. As a result of the fair value of the warrant debt discount reducing the debt to zero at the time of the issuance as discussed above, the estimated fair value of the derivative liability of $4.1 million was recognized within other income (expense), net, in the consolidated statement of operations and comprehensive loss and as a derivative liability on the consolidated balance sheet upon issuance. Changes in the fair value of the embedded derivative have also been recorded within other income (expense), net, in the consolidated statement of operations and comprehensive loss. The Company periodically remeasures the derivative liability to fair value.

In December 2013, following the receipt of the upfront license payment from Baxter license agreement (see Note 5), the Company met the QLT. As a result, upon a change of control, the redemption feature related to the holders' option to receive a cash payment in lieu of conversion into Series B convertible preferred stock was reduced from 400% to 100% of the outstanding principal, plus accrued interest and the associated embedded derivative liability was reduced to zero.

During the year ended December 31, 2013, the Company recognized total interest expense of $4.8 million related to the accrued interest and amortization of the debt discount.

The Bridge Loans were collateralized by a security interest in all assets, tangible and intangible, of the Company, subject to a prior security interest of Cook on the Company's property and equipment in Camarillo, California.

In May 2014, the Company completed an equity financing of Series C convertible preferred stock and, as a result, the Bridge Loans and related accrued interest automatically converted into shares of Series C convertible preferred stock at the Series C purchase price paid by other investors. In addition, as the warrants could be exercised for Series B convertible preferred stock any time after the QLT, in April and May 2014, the holders elected to exercise 100% of the outstanding warrants for 7,134,149 shares of Series B convertible preferred stock (see Note 14).

8. Convertible Preferred Stock Warrants

The following table sets forth a summary of the convertible preferred stock warrants and the related estimated fair values as of December 31, 2012 and 2013 (in thousands, except share data):

	December 31, 2012		December 31, 2013	
	Shares Underlying The Warrants	Estimated Fair Value	Shares Underlying The Warrants	Estimated Fair Value
Warrants to purchase Series A convertible preferred stock — 2011 Warrants A	106,560	$ 198	106,560	$ 170
Warrants to purchase Series B convertible preferred stock — 2011 Warrants B	491,943	1,540	491,943	1,122
2013 Warrants	—	—	7,134,149	22,959
	598,503	$ 1,738	7,732,652	$ 24,251

2011 Warrants A

In January 2011, in conjunction with the issuance of the 2011 Notes, the Company issued warrants to purchase shares of its newly authorized shares of preferred stock upon a financing event ("2011 Warrants A"). In March 2011, as a result of the Series A convertible preferred stock financing event, the January 2011 convertible promissory notes and related accrued interest automatically converted into Series A convertible preferred stock and the 2011 Warrants A became exercisable warrants to purchase 106,560 shares of Series A convertible

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

8. Convertible Preferred Stock Warrants (continued)

preferred stock with an exercise price of $0.75 per share. The warrants will expire at the earlier of: (i) January 25, 2016, (ii) upon the closing of the Company's IPO, or (iii) upon the closing of the Company's change of control. The Company initially valued the 2011 Warrants A at $53,000 using the Option Pricing Model ("OPM") that allocated total equity value to all the Company's equity securities in the capital structure at the time of issuance including potentially dilutive equity securities. These analyses generally used a backsolve approach that implies the total equity and common stock value from a round of preferred financing. None of the warrants have been exercised to date.

2011 Warrants B

From July to December 2011, the Company issued the 2011 Warrants B with an exercise price of $0.01 per share in conjunction with the issuance of the 2011 Notes (see Note 7). The warrants will expire at the earlier of: (i) seven years from the issuance dates, or (ii) upon the closing of the Company's change of control or IPO. If the warrant holders have not exercised the warrants prior to the closing of the change of control or IPO, the warrants will automatically be deemed to be net exercised in full immediately prior to the closing of the change of control or IPO. The 2011 Warrants B are exercisable upon the earlier of: (i) a financing event in which the Company issued newly authorized shares of stock, into that same stock at a conversion rate equal to the quotient obtained by dividing the sum of (a) 30% of the principal loan amount of the initial closing and (b) 20% of the principal loan amount of subsequent closing by the price paid by other investors in the financing event, or (ii) upon a change of control, an IPO, or maturity date, into Series A convertible preferred stock at the conversion rate equal to the quotient obtained by dividing the sum of (a) 30% of the principal loan amount of initial closing and (b) 20% of the principal loan amount of subsequent closing by $0.75 per share.

The estimated fair value of the warrants at issuance was $2.7 million based on probability-weighted present values of the warrants under the qualifying event scenarios with the follows assumptions:

Issuance Date	Next Financing Event in Which the Company Issued Newly Authorized Shares of Preferred Stock	Change of Control, IPO or Maturity Date
July 21, 2011	35%	65%
August 31, 2011	50%	50%
October 31, 2011	75%	25%
November 29, 2011	85%	15%
December 21, 2011	90%	10%

In January 2012, as a result of the Series B convertible preferred stock financing event, the 2011 Warrants B became exercisable warrants to purchase 587,543 shares of Series B convertible preferred stock. In June 2012, warrants to purchase 95,600 of Series B preferred stock were exercised, resulting in cash proceeds of approximately $1,000 and a reclassification of fair value of convertible preferred stock warrants to Series B preferred stock of $400,000.

2013 Warrants

From July to September 2013, the Company issued the 2013 Warrants with the exercise price of $0.01 per share in conjunction with the issuance of the Bridge Loans (see Note 7). The warrants expire at the earlier of: (i) seven years from issuance dates, or (ii) upon the closing of the Company's change of control or IPO. If the warrant holders have not exercised the warrants prior to the closing of the change of control or IPO, the warrants will automatically be deemed to be net exercised in full immediately prior to the closing of the change of control or IPO.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

8. Convertible Preferred Stock Warrants (continued)

The determination of the number of shares pursuant to the 2013 Warrants was equal to 300% of the principal amount of the Bridge Loans divided by the conversion price, as defined. The 2013 Warrants were exercisable upon the earlier of: (i) a financing event in which the Company issued newly authorized shares of stock, into that same stock at a conversion price equal to the price paid by other investors in the financing event, (ii) an occurrence of a QLT, as defined under the Bridge Loans, into shares of Series B convertible preferred stock at a conversion price equal to $4.1841 per share, (iii) election by the warrant holder to convert the underlying note upon a change of control, into shares of Series B convertible preferred stock at a conversion price equal $4.1841 per share, (iv) an occurrence of an IPO, into shares of the Company's common stock at a conversion price equal to the lesser of (a) $4.1841 per share, or (b) the price per share paid in the IPO, or (v) the maturity date if the financing event stated in (i) above has not occurred, into shares of Series B convertible preferred stock equal to the conversion price of $4.1841 per share.

The estimated fair value of the 2013 Warrants at issuance was $13.6 million based on probability-weighted values of the warrants under the qualifying event scenarios. For scenarios (i) and (ii), the cash flow method was used to value the present values of the warrants based on the warrant coverage, as adjusted for risk-adjusted discount rate of 30%. For scenarios (iii), (iv) and (v), the present values of the warrants were based on the fair value per share of the Series B convertible preferred stock using the PWERM. The Company weighed the scenarios based on management's estimate of the timing and probability of each qualifying event as of each of the issuance dates and then again at the end of each quarter for the mark to market adjustments. The Company recognized the fair value of the 2013 Warrants up to the total aggregate Bridge Loans of $10.0 million as the debt cannot be reduced to less than zero. The remaining $3.6 million of the total fair value of the 2013 Warrants was recognized immediately within other income (expense), net, in the consolidated statement of operations and comprehensive loss. In December 2013, following the receipt of the upfront license payment from the Baxter license agreement (see Note 5), the Company met the QLT criteria. As a result, the 2013 Warrants became exercisable to purchase 7,134,149 shares of Series B convertible preferred stock.

The 2011 Warrants A, 2011 Warrants B and 2013 Warrants are classified as convertible preferred stock warrant liabilities and are subject to remeasurement at each balance sheet date. The changes to the fair value of the warrants are recognized as a component of other income (expense), net, in the consolidated statements of operations and comprehensive loss. The net change in the fair value of the warrant liability was a decrease of $0.6 million and an increase of $8.9 million for the years ended December 31, 2012 and 2013, respectively.

9. Convertible Preferred Stock

In January 2012, the Company issued 5,377,500 shares of Series B convertible preferred stock in an initial closing at a price of $4.1841 per share for net cash proceeds of $20.3 million. An additional 2,540,742 shares of Series B convertible preferred stock were issued at the same price per share in exchange for the conversion of $10.6 million of the 2011 Notes B and related accrued interest (see Note 7). In June 2012, upon the exercise of 95,600 shares of Series B convertible preferred stock warrants, the $400,000 of the fair value of the convertible preferred stock warrant liability was reclassified to the carrying value of the Series B convertible preferred stock. In December 2012, the Company issued 1,912,000 shares of Series B convertible preferred stock in a subsequent closing at a price of $4.1841 per share for net cash proceeds of $6.6 million.

Contemporaneously with the initial and subsequent closings of the Series B convertible preferred stock, the Company issued 836,500 and 2,876,365 shares of Series B convertible preferred stock in January 2012 and December 2012, respectively, to various vendors in exchange for past and future services. The shares issued in January 2012 and December 2012 was based on the $4.1841 price per share which was the same price paid by the investors in the initial and subsequent closings for total value of $3.5 million and $12.0 million, respectively.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

9. Convertible Preferred Stock (continued)

To the extent the vendors had future services to be provided, the Company initially recorded a prepayment for the future services and a corresponding amount to Series B convertible preferred stock, as the shares were not subject to vesting or repurchase. The prepayments were amortized to research and development expense based on the invoiced amounts for such services as the services were performed.

Of the 2,876,365 shares of Series B convertible preferred stock issued in exchange for past and future services, pursuant to the terms of the agreement with Cook, 1,195,000 shares of Series B convertible preferred stock valued at $5.0 million held by Cook were contingently subject to repurchase by the Company for cash based upon the occurrence of certain events, none of which occurred or were probable as of December 31, 2013. In February 2014, these shares were purchased by another party resulting in the termination of the Company's repurchase obligation.

As of December 31, 2012 and 2013, the outstanding convertible preferred stock was as follows (in thousands, except share data):

December 31, 2012	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference
Series A	1,800,000	1,620,888	$ 1,191	$ 1,216
Series B	14,692,297	13,638,707	53,504	57,066
	16,492,297	15,259,595	$54,695	$ 58,282

December 31, 2013	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference
Series A	1,800,000	1,620,888	$ 1,191	$ 1,216
Series B	26,290,997	13,638,707	53,504	57,066
	28,090,997	15,259,595	$54,695	$ 58,282

The rights, preferences and privileges of the convertible preferred stock are as follows:

Conversion

Each share of Series A and B convertible preferred stock, at the option of the holder, is convertible into common stock at an initial conversion ratio of 1:1. This initial conversion ratio is subject to certain adjustments, from time to time, for dilution. Conversion of preferred stock into common stock is automatic at its then effective conversion rate immediately upon (i) the affirmative vote of at least fifty-five percent (55%) of the then outstanding Series B preferred stockholders, voting as a single, separate class or (ii) the closing of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of common stock by a nationally reputable underwriters in which the public offering price equals or exceeds $9.00 per share (as adjusted for any stock dividends, stock splits or recapitalizations) and the aggregate net proceeds raised equals or exceeds $40.0 million. In May 2014, the Company amended its Certificate of Incorporation contemporaneously with the issuance of Series C convertible preferred stock. As such, each share of Series A, Series B and Series C convertible preferred stock, at the option of the holder, is convertible into common stock at an initial conversion ratio of 1:1. This initial conversion ratio shall be subject to certain adjustments, from time to time, for dilution. Conversion of preferred stock into common stock is automatic at its then effective conversion rate immediately upon (i) the affirmative vote of (1) the holder of at least fifty-five percent (55%) of the then outstanding Series B convertible preferred stock, voting as a single, separate class and (2) the holders of at least fifty-five percent (55%) of the then

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

9. Convertible Preferred Stock (continued)

outstanding Series C convertible preferred stockholders, including at least two specified Series C preferred stockholders, voting as a single, separate class or (ii) the consummation of a firmly underwritten public offering pursuant to the Securities Act of 1933, as amended, provided, however, that (1) underwriters are of national reputation and (2) the aggregate gross proceeds to the Company are not less than $45.0 million.

Voting

The holders of the Series A and B convertible preferred stock are entitled to voting rights equal to the number of shares of common stock into which each share of convertible preferred stock could be converted into at the record date for a vote or consent of stockholders, except as otherwise required by law. Except as discussed below, the holders of convertible preferred stock and common stock vote together and not as separate classes. In May 2014, the Company amended its Certificate of Incorporation contemporaneously with the issuance of Series C convertible preferred stock. The holders of the Series A, Series B and Series C convertible preferred stock are entitled to voting rights equal to the number of shares of common stock into which each share of convertible preferred stock could be converted into at the record date for a vote or consent of stockholders, except as otherwise required by law, and has voting rights and powers equal to the voting rights and powers of the common stockholders. The holder of preferred stock and the holder of common stock shall vote together and not as separate classes.

Election of Directors

The holders of Series A convertible preferred stock, Series B convertible preferred stock and common stock, voting separately as a single class, are each entitled to elect two members of the Company's Board of Directors. All remaining members of the Company's Board of Directors are elected by the holders of the common stock and convertible preferred stock voting together as a single class. In May 2014, the Company amended its Certificate of Incorporation contemporaneously with the issuance of Series C convertible preferred stock. The holders of Series A convertible preferred stock and Series B convertible preferred stock, voting separately as a single class are each entitled to elect two members of the Company's Board of Directors. The holders of Series C convertible preferred and common stock, voting separately as a single class are each entitled to elect one member of the Company's Board of Directors. All remaining members of the Company's Board of Directors are elected by the holders of the common stock and preferred stock holders, voting together as a single class on an as-if-converted to common stock basis.

Dividends

The holders of the Series B convertible preferred stock are entitled to receive dividends payable out of any funds or assets legally available, prior and in preference to any declaration or payment of any dividend on the Series A convertible preferred stock or common stock of the Company. After payment of the prior dividend right of the Series B convertible preferred stock, the holders of the Series A convertible preferred stock are entitled to receive dividends payable out of any funds or assets legally available, prior and in preference to any declaration or payment of any dividend on common stock of the Company. Such dividends are payable when, as and if declared by the Board of Directors, and are not cumulative. No dividends were declared through December 31, 2013. In May 2014, the Company amended its Certificate of Incorporation contemporaneously with the issuance of Series C convertible preferred stock. As such, the holder of Series C convertible preferred stock shall be entitled to receive dividends payable out of any funds or assets at the time legally available therefore, prior and in preference to any declaration or payment of any dividend on Series B convertible preferred stock, Series A convertible preferred or common stock.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

9. Convertible Preferred Stock (continued)

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series B convertible preferred stock are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of Series A convertible preferred stock or common stock, amounts per share equal to the original issue price (as adjusted for any stock dividends, combinations or splits), plus any declared but unpaid dividends on such shares. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series B convertible preferred stock are insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, the entire assets and funds of the Company legally available for distribution are to be distributed with equal priority and pro rata among the holders of the Series B convertible preferred stock. After such payment has been made to the holders of Series B convertible preferred stock, the holders of Series A convertible preferred stock are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of common stock, amounts per share equal to the original issue price (as adjusted for any stock dividends, combinations or splits), plus any declared but unpaid dividends on such shares. If upon the occurrence of such event, the assets and funds distributed among the holders of the Series A convertible preferred stock are insufficient to permit the payment to such holders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution to Series A convertible preferred stock holders are to be distributed with equal priority and pro rata among the holders of the Series A convertible preferred stock. After such payment has been made to the holders of Series A convertible preferred stock, no further payments shall be made to the holders of the preferred stock and any remaining assets of the Company shall be distributed with equal priority and pro rata among the holders of the Company's common stock. In May 2014, the Company amended its Certificate of Incorporation contemporaneously with the issuance of Series C convertible preferred stock. As such, the holders of Series C convertible preferred stock are entitled to receive, prior to and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of Series B convertible preferred stock, Series A convertible preferred stock or common stock.

10. Stock Option Plan and Stock-Based Compensation

Restricted Common Stock ("Founders Shares")

In October 2010 and January 2011, the Company issued 6,885,000 shares and 1,615,000 shares of restricted common stock, respectively, at $0.005 per share to its founders under the Founders Shares agreements. Under the Founders Shares agreements, the Company has the right to repurchase the common stock which right lapses monthly in equal installments over four years. In order to vest, the holders are required to provide continued service to the Company. Upon vesting, the appropriate amounts are transferred from liabilities to additional paid in capital. If the holder of any unvested restricted common stock is terminated for any reason, the Company has the right to repurchase the unvested shares at the stockholder's original purchase price. As such, the shares subject to future vesting are not deemed outstanding for accounting purposes until the shares vest. In July 2012, one of the founders resigned from the Board of Directors. As such, 478,125 shares of common stock were repurchased by the Company for approximately $2,000 in July 2012.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

10. Stock Option Plan and Stock-Based Compensation (continued)

A summary of the Company's non-vested restricted stock for the periods is as follows:

	Number of Shares
Non-vested as of December 31, 2011	6,075,982
Vested	(2,012,172)
Repurchased by the Company	(478,125)
Non-vested as of December 31, 2012	3,585,685
Vested	(2,313,215)
Non-vested as of December 31, 2013	1,272,470

As of December 31, 2012 and 2013, the Company had 3,585,685 and 1,272,470 unvested shares of common stock which were subject to repurchase by the Company. As such, $8,000 and $7,000 were recorded as current and non-current other liabilities, respectively, in the accompanying consolidated balance sheet as of December 31, 2012. As of December 31, 2013, the total amount of $5,000 was all recorded as accrued and other liabilities in the accompanying consolidated balance sheet. The unvested shares of common stock will continue to vest with the founders' continued service to the Company pursuant to the Founders Shares agreements.

The Company recognized stock-based compensation over the vesting term of four years based on the fair value of the common stock on the dates of issuance. The restricted common stock granted to an employee is valued using the Black-Scholes options pricing model based on the common stock fair value at the time of the grant. For restricted common stock issued to consultants, the Company remeasures the fair value of the restricted shares as they vest at each reporting period using the Black-Scholes option-pricing model reflecting the remaining vesting period.

The stock-based compensation expense recorded related to the Founders Shares was as follows (in thousands):

	Year Ended December 31,	
	2012	2013
Research and development	$232	$ 227
General and administrative	110	1,054
	$342	$1,281

The estimated weighted-average grant date fair value of restricted stock issued in 2010 and 2011 for both years was $0.25 per share. No restricted common stock was granted in 2012 or 2013. The total unrecognized stock compensation expense as of December 31, 2013 of $249,000 will be amortized as the shares vest over the remaining service period of 1.3 years.

2010 Stock Plan

In 2010, the Company adopted the 2010 Stock Plan (the "Plan"). The Plan provides for the Company to grant shares and/or options to purchase shares of common stock to employees, directors, consultants, and other service providers at prices not less than the fair market value at the date of grant for incentive stock options and nonstatutory options. These options granted generally vest over four years, expire ten years from the date of grant, and are generally exercisable after vesting. Unvested options exercised are subject to the Company's repurchase right that lapses as the options vest. As of December 31, 2012 and 2013, no shares were subject to repurchase.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

10. Stock Option Plan and Stock-Based Compensation (continued)

The following table sets forth the summary of option activities under the Plan:

	Shares Available for Grant	Option Outstanding	
		Number of Options	Weighted-Average Exercise Price
Balances at December 31, 2011	25,000	1,625,000	$ 0.215
Authorized	2,535,224	—	—
Granted	(1,019,022)	1,019,022	1.250
Exercised	—	(37,188)	0.005
Forfeited	47,812	(47,812)	0.005
Balances at December 31, 2012	1,589,014	2,559,022	0.634
Authorized	2,644,812	—	—
Granted	(1,422,375)	1,422,375	1.250
Granted — below fair value	(1,310,300)	1,310,300	0.850
Exercised	—	(5,416)	1.250
Forfeited	206,232	(206,232)	0.762
Balances at December 31, 2013	1,707,383	5,080,049	$ 0.856

Additional information related to the status of options as of December 31, 2013 is summarized as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Contractual Terms (Years)	Aggregate Intrinsic Value (in thousands)
Options outstanding	5,080,049	$ 0.856	8.84	$ 3,518
Options vested and expected to vest	5,006,116	$ 0.855	9.17	$ 3,475
Options vested	1,933,981	$ 0.692	8.30	$ 1,702
Options exercisable	1,971,482	$ 0.679	8.27	$ 1,769

Valuation of Awards Granted to Employees

The Company estimated the fair value of each stock award on the date of grant using the Black-Scholes option-pricing model. The weighted average assumptions used to value options granted to employees under the Plan during the years ended December 31, 2012 and 2013 were as follows:

	Year Ended December 31,	
	2012	2013
Expected term (years)	6.04	5.51
Expected volatility	110%	108%
Risk-free interest rate	0.93%	1.23%
Expected dividend yield	0.0%	0.0%

Expected Term

The expected term represents the period for which the stock-based awards are expected to be outstanding and is based on the options' vesting term, contractual term and industry peers. The Company did not have sufficient historical information to develop reasonable expectations about future exercise patterns and post vesting employment termination behavior.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

10. Stock Option Plan and Stock-Based Compensation (continued)

Expected Volatility

The Company used an average historical stock price volatility of industry peers as representative of future stock price volatility since the Company does not have any trading history for its common stock.

Risk-Free Interest Rate

The Company based the risk-free interest rate by using an equivalent to the expected term based on the U.S. Treasury constant maturity rate as of the date of grant.

Expected Dividends

The Company has not paid and does not anticipate paying any dividends in the near future, and therefore used an expected dividend yield of zero in the valuation model.

The stock-based compensation expense recorded related to options granted to employees was as follows (in thousands):

	Year Ended December 31,	
	2012	2013
Research and development	$ 30	$431
General and administrative	65	309
	$ 95	$740

During the years ended December 31, 2012 and 2013, the total estimated fair value of the options vested was $95,000 and $0.7 million, respectively and the estimated weighted-average grant-date fair value of options granted was $1.036 and $1.129 per share, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2012 and 2013 was $46,000 and $0, respectively.

As of December 31, 2013, total unrecognized stock-based compensation expenses related to unvested employee stock options was $3.1 million. As of December 31, 2013, the remaining unrecognized compensation costs are expected to be recognized on a straight-line basis over a weighted-average period of approximately 3.00 years.

Nonemployees Stock-Based Compensation

The Company granted 125,000 stock options to purchase shares of common stock to nonemployees during the year ended December 31, 2013. The weighted-average exercise price of the options granted in 2013 was $0.85 per share. The Company did not grant any stock options to purchase shares of common stock to nonemployees during the year ended December 31, 2012. For the years ended December 31, 2012 and 2013, the Company recorded stock-based compensation expense related to options granted to nonemployees of $6,000 and $24,000, respectively. The Company recorded stock-based compensation expense in research and development expense in the consolidated statements of operations and comprehensive loss. The Company remeasures the fair value of the unvested nonemployee options at each period using the Black-Scholes option-pricing model reflecting the same assumptions as applied to employee options in each of the reported years, other than the expected life, which is assumed to be the remaining contractual life of the options.

11. Income Taxes

The Company utilizes the liability method of accounting for deferred income taxes. Under this method, deferred tax liabilities and assets are recognized for the expected future tax consequences of temporary

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Notes to Consolidated Financial Statements (continued)

11. Income Taxes (continued)

differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance is established against deferred tax assets because, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company's policy is to record interest and penalties on uncertain tax positions as income tax expense.

A reconciliation of the statutory U.S. federal rate to the Company's effective tax rate is as follows:

	Year Ended December 31,	
	2012	2013
Percent of pre-tax income:		
U.S. federal statutory income tax rate	34.00%	34.00%
State taxes, net of federal benefit	6.68	3.97
Permanent items	5.65	(12.40)
Research and development credit	—	4.53
Other	(0.17)	—
Change in valuation allowance	(46.16)	(30.10)
Effective income tax rate	—%	—%

Significant components of the Company's net deferred tax assets as of December 31, 2012 and 2013 consist of the following (in thousands):

	December 31,	
	2012	2013
Deferred tax assets		
Net operating loss carryforwards	$ 16,803	$ 27,524
Research and development credits	212	2,823
Depreciation and amortization	132	26
Other	205	3,121
Gross deferred tax assets	17,352	33,494
Less valuation allowance	(17,352)	(33,494)
Net deferred tax assets	$ —	$ —

The valuation allowance increased $15.1 million and $16.1 million during the years ended December 31, 2012 and 2013, respectively.

As of December 31, 2013, the Company had federal net operating loss carryforwards of approximately $69.3 million, which will start to expire beginning in 2031, and various state net operating loss carryforwards of approximately $69.1 million, which have various expiration dates beginning in 2031. Utilization of the net operating loss carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

As of December 31, 2013, the Company had federal research and development credit carryforwards of approximately $3.1 million, which will start to expire in 2031, and state research and development credit carryforwards of approximately $0.7 million, which can be carried forward indefinitely.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

11. Income Taxes (continued)

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible. Due to the Company's history of losses, and lack of other positive evidence, the Company has determined that it is more likely than not that its deferred tax assets will not be realized, and therefore, the deferred tax assets are fully offset by a valuation allowance at December 31, 2012 and 2013.

The Company files U.S, California, and other state income tax returns with varying statutes of limitations. The tax years from inception in 2010 forward remain open to examination due to the carryover of unused net operating losses and tax credits.

A reconciliation of the Company's unrecognized tax benefits for the years ended December 31, 2012 and 2013 is as follows (in thousands):

	December 31,	
	2012	2013
Balance at beginning of year	$14	$ 73
Additions based on tax positions related to current year	59	319
Additions for tax positions of prior years	—	357
Balance at end of year	$73	$749

The entire amount of the unrecognized tax benefits would not impact the Company's effective tax rate if recognized. During the years ended December 31, 2012 and 2013, the Company did not recognize accrued interest and penalties related to unrecognized tax benefits. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease during the next 12 months.

12. Net Loss and Unaudited Pro Forma Net Loss Per Share

The following outstanding dilutive potential shares have been excluded from the calculation of diluted net loss per share for the periods presented due to their anti-dilutive effect:

	December 31,	
	2012	2013
Stock options outstanding	2,559,022	5,080,049
Convertible preferred stock	15,259,595	15,259,595
Convertible preferred stock warrants	598,503	7,732,652

In addition 3,585,685 and 1,272,470 shares as of December 31, 2012 and 2013, respectively, were excluded as such shares represented common stock which is vesting contingently upon the holders' continued service to the Company.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

12. Net Loss and Pro Forma Unaudited Net Loss Per Share (continued)

The following table sets forth the computation of the unaudited pro forma basic and diluted net loss per share (in thousands, except share and per share data):

	Year Ended December 31, 2013
Numerator:	
Net loss	$ (53,635)
Change in fair value of preferred stock warrant liability	12,563
Net loss used in computing pro forma net loss per share, basic and diluted	$ (41,072)
Denominator:	
Weighted-average number of shares used in net loss per share, basic and diluted	5,554,477
Pro forma adjustments to reflect:	
Assumed conversion of convertible preferred stock	15,259,595
Assumed exercise of preferred stock warrants for cash	3,674,040
Weighted-average number of shares used in computing pro forma net loss per share, basic and diluted	24,488,112
Pro forma net loss per share, basic and diluted	$ (1.68)

13. Related Party Transactions

Notes Receivable from Founders

In December 2011, the Company entered into unsecured promissory notes (“Notes Receivable”) with the four founders of the Company. Of the four founders, three are members of the executive team of the Company. The aggregate amount of Notes Receivable was $133,000 at the issuance date and the Notes Receivable bore interest at 0.2% per annum. The Company recorded imputed interest of 4% in relation to these notes based on published interest rates for comparable notes. The principal amount of the Notes Receivable, together with all accrued and unpaid interest, was due and payable upon the earlier of: (i) December 26, 2014, (ii) immediately prior to the first filing of a registration statement in connection with an IPO, (iii) immediately prior to the Notes Receivable becoming prohibited under the rules and regulation of the Securities and Exchange Commission, (iv) immediately prior to an acquisition of the Company, (v) the termination of the borrower’s employment with the Company or (vi) the occurrence of an event of default.

As of December 31, 2012 and 2013, the Company had $123,000 and $107,000, respectively of Notes Receivable outstanding which were reflected as notes receivable from related parties in the Company’s consolidated balance sheets. The interest income related to these Notes Receivable was immaterial for the years ended December 31, 2012 and 2013.

In September 2013, the Company forgave the Notes Receivable and all accrued interest of $21,000 held by one of the holders of the notes.

In May 2014, the Company forgave the Notes Receivable of $111,000 and the related accrued interest of approximately $1,000, which will be reflected in the Company’s statement of operations in the quarter ended June 30, 2014.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

13. Related Party Transactions (continued)

Daiichi Sankyo

The Company entered into a license agreement with Daiichi Sankyo (see Note 5), under which the Company issued 4,780,000 shares of Series B convertible preferred stock. As such, Daiichi Sankyo was deemed to be a related party by ownership of more than 10% of the Company's equity. Accordingly, related party transactions of $1.9 million and $2.0 million were reported as collaboration and license revenue — related party in the Company's consolidated statements of operations and comprehensive loss for the years ended December 31, 2012 and 2013, respectively. As of December 31, 2012, the Company had $158,000 in receivables from a related party, $8.1 million of revenue was deferred under this agreement, of which $2.0 million was included in current liabilities and $6.1 million was included in non-current liabilities in the consolidated balance sheet. As of December 31, 2013, $6.1 million of revenue was deferred under this agreement, of which $2.0 million was included in current liabilities and $4.1 million was included in non-current liabilities in the consolidated balance sheet. In addition, the Company recognized $158,000 and $1.3 million as a reduction of research and development expense related to the costs reimbursed by Daiichi Sankyo in the Company's consolidated statements of operations and comprehensive loss for the years ended December 31, 2012 and 2013, respectively.

Transactions Associated with Cook

In January and December 2012, the Company issued a total of 3,585,000 shares of Series B convertible preferred stock to Cook as consideration for past and future services. As such, Cook was deemed to be a related party by ownership of more than 10% of the Company's equity. As of December 31, 2012, the Company had $7.6 million in prepaid clinical, material and manufacturing — related party, $1.7 million in accounts payable — related party, and $1.3 million in accrued clinical and manufacturing — related party, all reflected on the Company's consolidated balance sheet. As of December 31, 2013, the Company had $3.0 million in prepaid clinical, material and manufacturing — related party and $278,000 in receivables from a related party, (see Note 4), all reflected on the Company's consolidated balance sheet. For the years ended December 31, 2012 and 2013, the Company recognized $15.8 million and $6.1 million, respectively, of services rendered by Cook within research and development expense in the consolidated statements of operations and comprehensive loss. These Series B convertible preferred stock issued to Cook were valued based upon the price paid by investors in transactions which closed near the date of issuance.

Transactions Associated with Medpace

One member of the Board of Directors is also the chief executive officer of Medpace. As such, the Medpace was deemed to be a related party. As of December 31, 2012, the Company had $1.5 million in prepaid clinical, material and manufacturing — related party, $2,000 in accounts payable — related party, and $5,000 in accrued clinical and manufacturing — related party, all reflected on the Company's consolidated balance sheet associated with Medpace. As of December 31, 2013, the Company had $198,000 in prepaid clinical, material and manufacturing — related party, $383,000 in accounts payable — related party, and $2.8 million in accrued clinical and manufacturing — related party, all reflected on the Company's consolidated balance sheet associated with Medpace. For the years ended December 31, 2012 and 2013, the Company recognized $1.0 million and $4.7 million, respectively, for services rendered by Medpace within research and development expense in the consolidated statements of operations and comprehensive loss. Additionally, the Company recognized $0.5 million of interest expense for the year ended December 31, 2013 associated with the extended payment arrangement with Medpace. The Company also has an agreement with Medpace which provides for a minimum purchase commitment of $35.0 million for clinical trial services to be provided over the term of the agreement; however, the agreement is cancelable without cause by either party upon 30 days prior written notification. As of December 31, 2013, $5.7 million of the services related to this agreement has been performed.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

13. Related Party Transactions (continued)

Recruiting Services

One member of the Board of Directors was the chief executive officer of a company that provided recruiting services to the Company. As such, the recruiting services provided were deemed to be related party transactions. As of December 31, 2012, the Company had $35,000 and $16,000 of prepaid expenses and accounts payable, respectively, and there were no such amounts as of December 31, 2013, on the Company's consolidated balance sheets associated with these recruiting services. During the year ended December 31, 2012, the Company recognized $163,000 and $61,000 for services rendered by the recruiting company within research and development expense, and general and administrative expense, respectively, in the Company's consolidated statement of operations and comprehensive loss. During the year ended December 31, 2013, the Company recognized $35,000 and $18,000 for services rendered by the recruiting company within research and development expense, and general and administrative expense, respectively, in the Company's consolidated statement of operations and comprehensive loss.

Convertible Notes—Related Parties

From July to September 2011, the Company entered into the 2011 Notes with certain investors, including some members of the Board of Directors and their affiliated companies and some members of management, for a total aggregate amount of $10.4 million (see Note 7) and issued the 2011 Warrants B to purchase shares of the Company's preferred stock at an exercise price of $0.01 per share (see Note 8). As such, the $9.3 million of the total aggregate amount of the 2011 Notes were considered related party transactions. In January 2012, as a result of the Series B convertible preferred stock financing event, the $9.3 million of the 2011 Notes and accrued interest of $193,000 were automatically converted into 2,263,939 shares of Series B convertible preferred stock at the issuance price of $4.1841 per share, the amount paid by the other Series B investors, and the 2011 Warrant B became exercisable for warrants to purchase 509,988 shares of Series B convertible preferred stock. For the year ended December 31, 2012, the Company recognized $1.1 million of interest expense incurred on the debt and amortization of the debt discount within interest expense on the Company's consolidated statement of operations and comprehensive loss.

In July to September 2013, the Company entered into Bridge Loans with certain investors, including existing stockholders, some members of the Board of Directors and their affiliated companies and some members of management for a total aggregate amount of $10.0 million (see Note 7) and issued 2013 Warrants to purchase shares of the Company's preferred stock at an exercise price of $0.01 per share (see Note 8). As such $7.1 million of the total aggregate amount of the Bridge Loans were considered related party transactions. As of December 31, 2013, the carrying value of the related party Bridge Loans was $3.1 million, net of debt discount. In December 2013, following the receipt of the upfront license payment from the Baxter license agreement, the Company met the qualified licensing transaction revenue threshold (see Note 8). As a result the 2013 Warrants associated with the related party transaction became exercisable to purchase 5,054,850 shares of Series B convertible preferred stock. For the year ended December 31, 2013, the Company recognized $3.3 million of interest expense related to the debt and amortization of debt discount within interest expense in the Company's consolidated statement of operations and comprehensive loss.

14. Subsequent Events

The Company evaluated subsequent events through August 4, 2014, the date at which the consolidated financial statements were available for issuance.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

14. Subsequent Events (continued)

Convertible Preferred Stock and Warrants

In February 2014, the first priority security interest held by Cook to certain of the Company's property and equipment in Camarillo, California was released.

Pursuant to a stock purchase agreement with Cook, the Company issued shares that were subject to repurchase upon the achievement of certain events (see Note 9). In February 2014, the $5.0 million of Series B preferred stock held by Cook was purchased by a future investor in the company resulting in the release of the repurchase feature related to such shares.

During April and May 2014, warrants to purchase 7,420,944 shares of Series B convertible preferred stock were exercised for $74,000, which included the 7,134,149 shares of Series B convertible preferred stock warrants related to the Bridge Loans.

In May 2014, the Company completed a financing resulting in the issuance of 9,149,993 shares of Series C convertible preferred stock, for net cash proceeds of $54.7 million. In conjunction with the Series C convertible preferred stock financing, the Bridge Loans and the related accrued interest were automatically converted into 1,763,848 shares of Series C convertible preferred stock at the price per share of such financing, and the collateralized security interest of the Company's assets, tangible and intangible, under the Bridge Loans was released. In addition, the Company issued 16,667 shares of Series C convertible preferred stock in exchange for consulting services.

Acquisition

On February 12, 2014, the Company completed the acquisition of InteKrin Therapeutics, Inc. ("InteKrin"), a privately held, clinical-stage biopharmaceutical company focused on the development and commercialization of novel drugs for the treatment of immune diseases such as multiple sclerosis. The Company believes that InteKrin's product portfolio is complementary to the Company's systemic focus in anti-inflammatories with the anti-tumor necrosis factor (TNF) portfolio composed of etanercept and adalimumab biosimilars. InteKrin's primary product candidate, INT-131, is in the clinical stage. The Company will account for the acquisition as the purchase of a business. The total consideration for the acquisition of InteKrin was determined to be $5.0 million and consisted of: (a) the issuance of 1,194,686 shares of Series B convertible preferred stock with an estimated fair value of $2.7 million, (b) the assumption of InteKrin's convertible promissory note payable to investors of InteKrin, which was concurrently paid off by issuing 406,483 shares of the Company's Series B convertible preferred stock with an estimated fair value of $1.0 million; (c) a cash payment of $1,485, and (d) contingent consideration of $1.3 million at the acquisition date. The fair value of Series B convertible preferred stock issued to InteKrin shareholders of $2.29 per share was determined using the PWERM.

The following table summarizes the fair value of assets acquired and liabilities assumed (in thousands)

Cash	$ 2,335
Prepaid and other assets	107
Accounts payable and other current liabilities	(1,027)
In-process research and development	2,620
Goodwill	943
Total consideration	$ 4,978

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

14. Subsequent Events (continued)

Amendment to the Certificate of Incorporation

In May 2014, the Company amended its Certificate of Incorporation with the following authorized shares: 57,000,000 shares of common stock, 36,207,039 shares of convertible preferred stock which have been designated as 1,727,448 shares of Series A convertible preferred stock, 23,479,591 shares of Series B convertible preferred stock, and 11,000,000 shares of Series C convertible preferred stock and other terms (see Note 9).

License Agreement with Baxter

The Company received cash of $25.3 million in March 2014, $20.0 million in June 2014 and $15.0 million in July 2014 upon the achievement of certain events pursuant to the Baxter license agreement. Of the total aggregate amount of $60.3 million received from Baxter, $20.2 million is contingently subject to reimbursement to Baxter.

Coherus BioSciences, Inc.

Index to Unaudited Interim Condensed Consolidated Financial Statements

Unaudited Interim Condensed Consolidated Financial Statements

Coherus BioSciences, Inc.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 31, 2013 (Note 2)	June 30, 2014 (unaudited)	Pro Forma Stockholders' Equity as of June 30, 2014 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 39,554	$ 108,869	
Restricted cash	50	50	
Receivables from related parties	278	—	
Notes receivable from related parties	107	—	
Prepaid assets	5,688	5,789	
Total current assets	45,677	114,708	
Property and equipment, net	1,743	3,037	
Intangible assets	—	2,620	
Goodwill	—	943	
Other assets	27	875	
Total assets	$ 47,447	$ 122,183	
Liabilities, Convertible Preferred Stock and Stockholders' (Deficit) Equity			
Current liabilities:			
Accounts payable	$ 3,302	$ 5,395	
Accounts payable — related parties	383	3,020	
Accrued and other liabilities	7,279	7,007	
Deferred revenue	14,283	25,132	
Convertible notes	1,111	—	
Convertible notes — related parties	3,092	—	
Contingent consideration	—	2,420	
Convertible preferred stock warrant liability	24,251	1,589	$ —
Total current liabilities	53,701	44,563	
Deferred revenue, non-current	28,567	37,164	
Contingent liability to collaborator	7,500	25,150	
Contingent consideration, non-current	—	595	
Other liabilities, non-current	61	135	
Total liabilities	89,829	107,607	
Commitments and contingencies (Note 8)			
Series A convertible preferred stock, $0.0001 par value:			
Shares authorized: 1,800,000 and 1,727,448 at December 31, 2013 and June 30, 2014 (unaudited), respectively			
Shares issued and outstanding: 1,620,888 at December 31, 2013 and June 30, 2014 (unaudited), no shares authorized, issued and outstanding, pro forma (unaudited)			
Liquidation preference: $1,216 at December 31, 2013 and June 30, 2014 (unaudited)	1,191	1,191	—
Series B convertible preferred stock, $0.0001 par value:			
Shares authorized: 26,290,997 and 23,479,591 at December 31, 2013 and June 30, 2014 (unaudited), respectively			
Shares issued and outstanding: 13,638,707 and 22,674,443 at December 31, 2013 and June 30, 2014 (unaudited), respectively, no shares authorized, issued and outstanding, pro forma (unaudited)			
Liquidation preference: $57,066 and $94,872 at December 31, 2013 and June 30, 2014 (unaudited), respectively	53,504	94,630	—
Series C convertible preferred stock, $0.0001 par value:			
Shares authorized: no shares at December 31, 2013 and 11,000,000 at June 30, 2014 (unaudited)			
Shares issued and outstanding: no shares at December 31, 2013 and 10,930,508 at June 30, 2014 (unaudited), no shares authorized, issued and outstanding, pro forma (unaudited)			
Liquidation preference: $0 and $65,583 at December 31, 2013 and June 30, 2014 (unaudited)	—	65,403	—
Stockholders' (deficit) equity:			
Common stock, $0.0001 par value:			
Shares authorized: 46,598,700 and 57,000,000 at December 31, 2013 and June 30, 2014 (unaudited), respectively			
Shares issued and outstanding: 8,064,479 and 7,708,937 at December 31, 2013 and June 30, 2014 (unaudited), respectively, 44,168,793 shares issued and outstanding pro forma (unaudited)	1	1	4
Additional paid-in capital	2,514	3,151	166,965
Accumulated other comprehensive income	—	32	32
Accumulated deficit	(99,592)	(149,719)	(149,719)
Total Coherus stockholders' (deficit) equity	(97,077)	(146,535)	17,282
Noncontrolling interests	—	(113)	(113)
Total stockholders' (deficit) equity	(97,077)	(146,648)	$ 17,169
Total liabilities, convertible preferred stock and stockholders' (deficit) equity	$ 47,447	$ 122,183	

See accompanying notes to condensed consolidated financial statements.

Coherus BioSciences, Inc.

Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)

	Six Months Ended June 30,	
	2013	2014
	(unaudited)	
Revenue:		
Collaboration and license revenue—related party	$ 1,013	$ 1,013
Collaboration and license revenue	—	7,548
Total revenue	1,013	8,561
Operating expenses:		
Research and development (includes related party of $7,668 and $10,961 for the six months ended June 30, 2013 and 2014, respectively)	17,123	32,861
General and administrative	2,613	7,399
Total operating expenses	19,736	40,260
Loss from operations	(18,723)	(31,699)
Interest expense (includes related party of $0 and $2,687 for the six months ended June 30, 2013 and 2014, respectively)	—	(3,899)
Other income (expense), net	1,152	(14,642)
Net loss	(17,571)	(50,240)
Net loss attributable to noncontrolling interests	—	113
Net loss attributable to Coherus	$ (17,571)	$ (50,127)
Net loss per share attributable to Coherus, basic and diluted	$ (3.55)	$ (7.19)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted	4,947,171	6,971,482
Pro forma net loss per share attributable to Coherus, basic and diluted		$ (1.18)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted		30,145,504

See accompanying notes to condensed consolidated financial statements.

Coherus BioSciences, Inc.

Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	Six Months Ended June 30,	
	2013	2014
	(unaudited)	
Net loss	$(17,571)	$(50,240)
Other comprehensive income:		
Foreign currency translation adjustments, net of tax	—	32
Comprehensive loss	(17,571)	(50,208)
Comprehensive loss attributable to noncontrolling interest	—	113
Comprehensive loss attributable to Coherus	$(17,571)	$(50,095)

See accompanying notes to condensed consolidated financial statements.

Coherus BioSciences, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2013	2014
	(unaudited)	
Operating activities		
Net loss	$(17,571)	$ (50,240)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	195	247
Remeasurement of contingent consideration	—	1,705
Remeasurement of convertible preferred stock warrant liability	(1,153)	14,666
Preferred stock issued in exchange for services	7,393	110
Non-cash interest expense	—	3,897
Gain on extinguishment of 2013 Notes	—	(2,048)
Stock-based compensation expense	736	4,501
Changes in operating assets and liabilities:		
Receivables from related parties	156	278
Notes receivable from related parties	(2)	107
Prepaid assets	1,445	5
Other current assets	37	—
Other assets	—	(11)
Accounts payable	(278)	1,562
Accounts payable — related parties	(1,631)	2,637
Accrued and other liabilities	(26)	(299)
Deferred revenue	(1,013)	19,446
Advance payments under license agreements with related party	624	—
Contingent liability to collaborator	—	17,650
Other liabilities, non-current	(1)	315
Net cash (used in) provided by operating activities	(11,089)	14,528
Investing activities		
Net cash acquired from acquisition of InteKrin Therapeutics, Inc.	—	2,334
Purchases of property and equipment	(172)	(1,553)
Net cash (used in) provided by investing activities	(172)	781
Financing activities		
Proceeds from issuance of convertible preferred stock, net of issuance cost	—	54,720
Proceeds from issuance of convertible preferred stock upon exercise of warrants	—	74
Proceeds from issuances of common stock upon exercise of stock options	—	19
Repurchase of restricted common stock	—	(2)
Payment of costs related to initial public offering	—	(837)
Net cash provided by financing activities	—	53,974
Effect of exchange rate changes in cash and cash equivalents	—	32
Net (decrease) increase in cash and cash equivalents	(11,261)	69,315
Cash and cash equivalents at beginning of period	14,548	39,554
Cash and cash equivalents at end of period	$ 3,287	$108,869

See accompanying notes to condensed consolidated financial statements.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and Operations

Description of the Business

Coherus BioSciences, Inc. (the "Company" or "Coherus") was incorporated in the state of Delaware as BioGenerics, Inc. in September 2010 and changed its name to Coherus BioSciences, Inc. in April 2012. The Company is a late-stage clinical biologics platform company, focused on the global biosimilar market. The Company's headquarters and laboratory are located in Redwood City, California and in Camarillo, California, respectively. The Company operates in one segment.

Need to Raise Additional Capital

As of June 30, 2014, the Company had an accumulated deficit of $150.0 million and cash and cash equivalents of $108.9 million. The Company believes that its current available cash and cash equivalents together with the cash received from Baxter International, Inc. ("Baxter") of $15.0 million in July 2014 (see Note 13), will be sufficient to fund its planned expenditures and meet the Company's obligations through at least September 30, 2015. However, if the anticipated operating results are not achieved in future periods, the planned expenditures may need to be reduced in order to extend the time period over which the then-available resources would be able to fund the operations. The Company may need to raise additional funds in the future, however there can be no assurance that such efforts will be successful or that, in the event that they are successful, the terms and conditions of such financing will be favorable.

2. Basis of Presentation and Summary of Significant Accounting Policies

Unaudited Condensed Consolidated Financial Statements

The accompanying condensed consolidated financial statements include the accounts of Coherus and its wholly owned subsidiaries as of June 30, 2014: Coherus Intermediate Corp, InteKrin Therapeutics, Inc. ("InteKrin"), and its 82.5% majority owned subsidiary of InteKrin Russia. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), for interim financial information and pursuant to the Article 10 of Regulation S-X of the Securities Act of 1933, as amended (Securities Act). Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements include only normal and recurring adjustments that the Company believes are necessary to fairly state the financial position and the results of the Company's operations and cash flows. Interim-period results are not necessarily indicative of results of operations or cash flows for a full year or any subsequent interim period. The condensed consolidated balance sheet at December 31, 2013 has been derived from audited financial statements at that date, but does not include all disclosures required by U.S. GAAP for complete financial statements. Because all of the disclosures required by U.S. GAAP for complete financial statements are not included herein, these unaudited condensed consolidated financial statements and the notes accompanying them should be read in conjunction with our audited consolidated financial statements included elsewhere in this prospectus.

Unaudited Pro Forma Presentation

The unaudited pro forma stockholders' equity as of June 30, 2014 reflects the assumed conversion of all the outstanding shares of convertible preferred stock into shares of common stock, as if such shares were issued as common stock initially, the assumed exercise, for cash, of all outstanding warrants as of January 1, 2014, and the reclassification of the convertible preferred stock warrant liability into stockholders' equity.

Unaudited pro forma basic and diluted net loss per share attributable to Coherus has been computed using the weighted-average number of shares of common stock outstanding after giving effect to the assumed

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

conversion of all the outstanding shares of convertible preferred stock and the assumed cash exercise of the convertible preferred stock warrants upon the closing of the IPO. For purposes of pro forma basic and diluted net loss per share attributable to Coherus, all shares of convertible preferred stock have been treated as though they have been converted to common stock at the later of the issuance date or on January 1, 2014. Also, the numerator in the pro forma basic and diluted net loss per share attributable to Coherus calculation has been adjusted to remove gains or losses resulting from the remeasurement of the convertible preferred stock warrant liability related to warrants to purchase shares of convertible preferred stock. The pro forma net loss per share attributable to Coherus does not include the shares expected to be sold and related proceeds to be received from the IPO.

Foreign Currency

The functional currency of InteKrin Russia, which the Company acquired in February 2014, is the Russian Ruble. Accordingly, the financial statements of this subsidiary are translated into U.S. dollars using appropriate exchange rates. Unrealized gains or losses on translation are recognized in the accumulated other comprehensive income in the condensed consolidated balance sheet.

Deferred Offering Costs

Deferred offering costs, which primarily consist of direct incremental legal and accounting fees relating to the IPO, are capitalized. The deferred offering costs will be offset against IPO proceeds upon the consummation of the offering. In the event the offering is terminated, deferred offering costs will be expensed. As of June 30, 2014, $0.8 million of deferred offering costs were capitalized in other assets on the condensed consolidated balance sheet. No deferred offering costs were capitalized as of December 31, 2013.

Derivative Liability

The Company has a derivative related to the contingent consideration associated with the acquisition of InteKrin. There are two contingent payments: (i) the completion of the first dosing of a human subject in the first Phase 2 clinical trial for InteKrin, (“Earn-Out Payment”) and (ii) upon the execution of any license, sublicense, development, collaboration, joint venture, partnering or similar agreement between the Company and the third party (“Compound Transaction Payment”). The derivative related to the contingent consideration is accounted for as a liability and remeasured to fair value as of each balance sheet date and the related remeasurement adjustment will be recognized as other income (expense), net in the statement of operations. The Company determined the fair value of the two contingent consideration scenarios (the Earn-Out Payment and the Compound Transaction Payment) using a probability-weighted discounted cash flow approach. A probability-weighted value was determined by summing the probability of achieving a contingent payment threshold by the respective contingent payment. The expected cash flows were discounted at a rate selected to capture the risk of achieving the contingent payment thresholds and earning the contingent payment. This risk is comprised of InteKrin’s continued development, a specific risk factor associated with meeting the contingent consideration threshold and related payout and counterparty risk associated with the payment of the contingent consideration.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Customer Concentration

Customers whose collaboration and license revenue accounted for 10% or more of total revenues were as follows:

	Six Months Ended June 30,	
	2013	2014
Daiichi Sankyo — related party	100%	12%
Baxter	—	88%

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists; transfer of technology has been completed, services have been performed or products have been delivered; the fee is fixed and determinable; and collection is reasonably assured.

The Company enters into collaboration and license agreements for the development and commercialization of biosimilar products. The Company's performance obligations under the terms of these agreements may include (i) transfer of intellectual property rights (licenses), (ii) providing research and development services, (iii) the manufacture of drug materials for development purposes and (iv) participation on certain committees with the collaborators. Payments to the Company under these agreements may include nonrefundable up front license fees, payments for research and development services, payments for the manufacture of drug materials, payments based upon the achievement of defined collaboration objectives and royalties on product sales. Under these agreements the Company may convey the right to sell products resulting from the collaborative efforts of the parties in specific geographic territories.

For revenue agreements with multiple elements, the Company identifies the deliverables included within the agreement and evaluates which deliverables may represent separate units of accounting based on the achievement of certain criteria, including whether the delivered element has stand-alone value to the collaborator. Deliverables under the arrangement are a separate unit of accounting if (i) the delivered item has value to the customer on a standalone basis and (ii) if the arrangement includes a general right of return relative to the delivered item and delivery or performance of the undelivered items are considered probable and substantially within the Company's control.

The Company determines how to allocate arrangement consideration to identified units of accounting based on the selling price hierarchy provided under the relevant guidance. The selling price used for each unit of accounting is based on vendor-specific objective evidence, if available, third-party evidence if vendor-specific objective evidence is not available or estimated selling price if neither vendor-specific nor third-party evidence is available. Management may be required to exercise considerable judgment in determining whether a deliverable is a separate unit of accounting and in estimating the selling prices of identified units of accounting under its agreements.

Upfront payments received in connection with licenses of the Company's technology rights are deferred if facts and circumstances dictate that the license does not have stand-alone value. Such payments are recognized as license revenue over the estimated period of performance that is generally consistent with the terms of the research and development obligations contained in the specific collaboration and license agreement. The Company regularly reviews the estimated period of performance based on the progress made under each arrangement. Amounts received as funding of research and development activities are recognized as revenue if the collaboration arrangement involves the sale of the Company's research or development services. However, such funding is recognized as a reduction in research and development expense when the Company engages in a research and development project jointly with another entity, with both entities participating in project activities and sharing costs and potential benefits of the arrangement.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Payments that are contingent upon the achievement of a substantive milestone are recognized in their entirety in the period in which the milestone is achieved, assuming all other revenue recognition criteria are met. Milestones are defined as an event that can only be achieved based on the Company's performance and there is substantive uncertainty about whether the event will be achieved at the inception of the arrangement. Events that are contingent only on the passage of time or only on counterparty performance are not considered milestones under accounting guidance. The Company's evaluation includes an assessment of whether (a) the consideration is commensurate with either (1) the Company's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the Company's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required to achieve the respective milestone and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment.

Other contingent payments in which a portion of the payment is refundable or adjusts based on future performance or non-performance (e.g., through a penalty or claw-back provision) are not considered to relate solely to the Company's past performance, and therefore, not considered substantive. Non-substantive contingent payments are classified as deferred revenue if they are ultimately expected to result in revenue recognition. The Company recognizes non-substantive contingent payments over the remaining estimated period of performance once the specific objective is achieved. Any portion of the non-substantive contingent payments which may be required to be refunded to the collaborator are not included in deferred revenue and instead are reflected as contingent liability to collaborator on the consolidated balance sheets.

Contingent payments associated with the achievement of specific objectives in certain contracts that are not considered substantive because the Company does not contribute effort to the achievement of such milestones are recognized as revenue upon achievement of the objective, as long as there are no undelivered elements remaining and no continuing performance obligations by the Company, assuming all other revenue recognition criteria are met.

Comprehensive Loss

Comprehensive loss is composed of two components: net loss and other comprehensive income (loss). Other comprehensive income (loss) refers to gains and losses that under U.S. GAAP are recorded as an element of stockholders' equity (deficit), but are excluded from net loss. The Company's other comprehensive loss included foreign currency translation adjustments for the six months ended June 30, 2014.

Net Loss per Share Attributable to Coherus

Basic net loss per share attributable to Coherus is calculated by dividing the net loss attributable to Coherus by the weighted-average number of shares of common stock outstanding for the period, without consideration for potential dilutive common shares. Since the Company was in a loss position for all periods presented, basic net loss per share attributable to Coherus is the same as diluted net loss per share attributable to Coherus as the inclusion of all potential dilutive common shares would have been anti-dilutive. Shares of common stock subject to repurchase are excluded from the calculation of weighted average shares as the vesting of such shares is contingent upon continued services being rendered by such holders. For the computation of net loss per share for the six months ended June 30, 2013 and 2014, 2,641,577 and 540,863 shares subject to repurchase, respectively, were excluded from the computation of net loss per share attributable to Coherus, basic and diluted.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

3. Fair Value Measurements

Financial assets and liabilities are recorded at fair value. The carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, accounts payable and other current liabilities approximate their fair value due to their short maturities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting guidance describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last is considered unobservable. These levels of inputs are the following:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments consist of Level 1 assets and Level 3 liabilities. Where quoted prices are available in an active market, securities are classified as Level 1. Level 1 assets consist of highly liquid money market funds that are included in cash and cash equivalents, and restricted cash. There were no unrealized gains and losses in the Company's investments in these money market funds.

In certain cases where there is limited activity or less transparency around inputs to valuation, securities are classified as Level 3. Level 3 liabilities consist of the convertible preferred stock warrant liability and contingent consideration.

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements are as follows (in thousands):

	Fair Value Measurements December 31, 2013			
	Total	Level 1	Level 2	Level 3
Assets:				
Restricted cash (money market funds)	$ 50	$ 50	$ —	$ —
Liabilities:				
Convertible preferred stock warrant liability	$24,251	$ —	$ —	$24,251

	Fair Value Measurements June 30, 2014			
	Total	Level 1	Level 2	Level 3
Assets:				
Certificate of deposit	$ 900	$ 900	$ —	$ —
Certificate of deposit denominated in Rubles	267	267	—	—
Money market funds	31	31	—	—
Restricted cash (money market funds)	50	50	—	—
Total financial assets	$1,248	$ 1,248	$ —	$ —
Liabilities:				
Convertible preferred stock warrant liability	$1,589	$ —	$ —	$1,589
Contingent consideration	3,015	—	—	3,015
Total financial liabilities	$4,604	$ —	$ —	$4,604

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

3. Fair Value Measurements (continued)

There were no transfers between Level 1 and Level 2 during the periods presented.

The fair value of the convertible preferred stock warrants was determined based on Level 3 inputs. The Company determined the fair value of the warrants by allocating the Company's equity value, using the Probability-Weighted Expected Return Method ("PWERM"). The Company's equity value was allocated among preferred stock, common stock, warrants and stock options expected to be outstanding at the liquidity events based on the rights and preferences of each class. The option-pricing model includes assumptions related to the fair value of the shares, the exercise price, expected volatility, expected term, risk-free interest rate, and the expected dividend yield. The estimated expected volatility was based on the volatility of common stock of a group of comparable, publicly-traded companies. The estimated expected term was based on the estimated time to liquidity event. The risk-free interest rate was based on the U.S. Treasury yield for a term consistent with the estimated expected term. The significant unobservable input used in the fair value measurement of the convertible preferred stock warrant liability is the fair value of the underlying preferred stock at the valuation remeasurement date. Generally, increases (decreases) in the fair value of the underlying preferred stock would result in a directionally similar impact to the fair value measurement.

The following table sets forth a summary of the changes in the estimated fair value of the convertible preferred stock warrants (in thousands):

Balance as of December 31, 2013	$ 24,251
Warrants exercised	(37,328)
Change in fair value of convertible preferred stock warrant liability	14,666
Balance as of June 30, 2014	$ 1,589

As part of the InteKrin acquisition, the Company recognized contingent consideration associated with payments to be made to the former InteKrin shareholders upon the achievement of certain events specified in the agreements (see Note 6). This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement within the fair value hierarchy. The Company valued the two contingent consideration scenarios (the Earn-Out Payment and the Compound Transaction Payment) using a probability-weighted discounted cash flow approach. A probability of reaching each contingent consideration threshold was estimated by Company's management. A probability-weighted value was determined by summing the probability of achieving each contingent payment threshold by the respective contingent payment. The expected cash flows were discounted at a rate of 60% selected to capture the risk of achieving contingent payment thresholds and earning contingent payment. This risk is comprised of InteKrin's continued development, a specific risk factor associated with meeting each contingent consideration threshold and related payout and counterparty risk associated with the payment of the contingent consideration.

The following table sets forth a summary of changes in the estimated fair value of the contingent consideration (in thousands):

Balance as of February 12, 2014 (acquisition date)	$1,310
Change in fair value of contingent consideration	1,705
Balance as of June 30, 2014	$3,015

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

4. Balance Sheet Components

Prepaid Assets

Prepaid assets are as follows (in thousands):

	December 31, 2013	June 30, 2014
Prepaid clinical, material, manufacturing and other — related parties	$ 3,177	$ 392
Prepaid clinical, material and manufacturing	1,758	4,088
Prepaid other	753	1,309
Prepaid assets	$ 5,688	$5,789

Property and Equipment, Net

Property and equipment, net are as follows (in thousands):

	December 31, 2013	June 30, 2014
Machinery and equipment	$ 2,051	$3,093
Computer equipment and software	79	201
Furniture and fixtures	147	195
Leasehold improvements	91	102
Construction in progress	—	318
Total property and equipment	2,368	3,909
Accumulated depreciation and amortization	(625)	(872)
Property and equipment, net	$ 1,743	$3,037

Depreciation expense was $195,000 and $247,000 for the six months ended June 30, 2013 and 2014, respectively.

In February 2014, the first priority security interest held by Cook Pharmica LLC (“Cook”), a CMO, to certain of the Company’s property and equipment in Camarillo, California was released.

Accrued and Other Liabilities

Accrued and other liabilities are as follows (in thousands):

	December 31, 2013	June 30, 2014
Accrued clinical and manufacturing — related parties	$ 2,792	$2,223
Accrued compensation	1,549	956
Accrued professional and consulting fees	995	355
Accrued other	1,922	3,396
Other current liabilities	21	77
Accrued and other liabilities	$ 7,279	$7,007

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

5. Collaboration and License Agreements

The Company recognized revenue related to the collaboration and license agreements for the periods presented as follows (in thousands):

	Six Months Ended June 30,	
	2013	2014
Daiichi Sankyo — related party	$ 1,013	$ 1,013
Baxter	—	7,548
Total collaboration and license revenue	$ 1,013	$ 8,561

Daiichi Sankyo

In January 2014, the Company and Daiichi Sankyo Company, Limited ("Daiichi Sankyo") entered into the Memorandum of Understanding No. 2 (the "MOU 2") in which both parties agreed to cooperate to conduct a global Phase 3 clinical trial in rheumatoid arthritis and that Daiichi Sankyo will be responsible for a minimum of 20% of the cost of the clinical trial. Also, both parties entered into a clinical supply agreement contemporaneously with the MOU 2 in which the Company will supply finished study drug and study comparator drug for Daiichi Sankyo's use in the Japanese portion of the product's clinical trial. Daiichi Sankyo shall reimburse these research and development costs in quarterly advance payments, which the Company has recorded as advance payments under the license agreement with related party in the condensed consolidated balance sheet as of June 30, 2014. The Company will recognize the advance payment as a reduction in the research and development expense when the research and development activity has been performed.

As of December 31, 2013, $6.1 million of revenue was deferred under all arrangements with Daiichi Sankyo, of which $2.0 million was included in current liabilities and $4.1 million was included in non-current liabilities in the condensed consolidated balance sheet. As of June 30, 2014, $5.1 million of revenue was deferred, of which $2.0 million was included in current liabilities and $3.1 million was included in non-current liabilities in the condensed consolidated balance sheet. In addition, the Company recognized $0.5 million and $2.4 million as a reduction of research and development expense related to the costs reimbursed by Daiichi Sankyo in the Company's condensed consolidated statements of operations for the six months ended June 30, 2013 and 2014, respectively.

Baxter

In February 2014, the Company and Baxter amended the license agreement to increase the non-substantive contingent milestone payments for an additional $5.3 million. The Company concluded that this amendment did not materially affect the underlying terms and conditions of the original agreement.

In March 2014, the Company received a $25.3 million contingent milestone payment which included the $5.3 million referenced above. The Company recorded $12.7 million as deferred revenue, which is being amortized over the remaining estimated performance period under the Baxter agreement. The remaining $12.7 million was recorded as contingent liability to collaborator due to the potential refund of such amount to Baxter.

As of December 31, 2013, $36.8 million of revenue was deferred under all arrangements with Baxter, of which $12.3 million was included in current liabilities and $24.5 million was included in non-current liabilities in the condensed consolidated balance sheet. As of December 31, 2013, $7.5 million was recorded as contingent liability to collaborator in the condensed consolidated balance sheet due to the potential refund to Baxter.

As of June 30, 2014, $56.9 million of revenue was deferred under all arrangements with Baxter, of which $22.8 million was included in current liabilities and $34.1 million was included in non-current liabilities in the

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

5. Collaboration and License Agreements (continued)

condensed consolidated balance sheet. As of June 30, 2014, $25.2 million was recorded as contingent liability to collaborator due to the potential refund of such amount to Baxter in the future.

6. Acquisition of InteKrin Therapeutics, Inc.

On January 8, 2014, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") to acquire all of the outstanding shares of InteKrin and its 82.5% majority owned subsidiary, InteKrin Russia. On February 12, 2014, the Company completed the acquisition of InteKrin (the "Merger") for total consideration of $5.0 million.

Prior to the Merger, InteKrin was a privately held, clinical-stage biopharmaceutical company focused on the development and commercialization of novel drugs for the treatment of immune diseases such as multiple sclerosis. InteKrin's primary product candidate is INT-131, which is in the clinical stage of development. Although INT-131 was a small molecule and not a protein, its therapeutic focus area was complementary to the Company's emerging multiple sclerosis biosimilar product pipeline which consists of broader level central nervous system anti-inflammatories. This in turn was complementary to the Company's systemic focus in anti-inflammatories with the anti-tumor necrosis factor (TNF) portfolio composed of etanercept and adalimumab biosimilars. Additionally, the acquisition of InteKrin was a strategic transaction to obtain funding from new investors.

The Company accounted for the InteKrin acquisition as the purchase of a business. The Company expensed the related acquisition costs, consisting primarily of legal expenses in the amount of $134,000. These legal expenses are recorded in general and administrative expense in the condensed consolidated statement of operations for the six months ended June 30, 2014. The total consideration of $5.0 million consists of: (a) issuance of 1,194,686 shares of Series B preferred stock with a fair value of $2.7 million, (b) assumption of InteKrin's convertible promissory note payable to an InteKrin shareholder, which was concurrently paid off by issuing 406,483 shares of the Company's Series B convertible preferred stock with a fair value of $1.0 million (c) cash payment of $1,485, and (d) contingent consideration of $1.3 million. The Company determined the fair value of the Series B convertible preferred stock of $2.29 per share using the PWERM. The noncontrolling interest was not deemed to be significant at acquisition.

Pro forma results of operations for this acquisition have not been presented as such results are not material to the Company's results of operations for the six months ended June 30, 2013 and 2014.

The following table summarizes the fair value of the assets acquired and liabilities assumed (in thousands):

Cash	$ 2,335
Prepaid and other assets	107
Accounts payable and other current liabilities	(1,027)
In-process research and development ("IPR&D")	2,620
Goodwill	943
Total consideration	$ 4,978

In connection with the acquisition of InteKrin, the Company recorded a deferred tax liability related to the acquired in-process research and development. This deferred tax liability represents a new source of future taxable income, which required the release of a portion of InteKrin's deferred tax asset valuation allowance equal to the deferred tax liability recorded. The deferred tax asset and liability are both classified as long term for purposes of balance sheet presentation.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

6. Acquisition of InteKrin Therapeutics, Inc. (continued)

Intangible Asset — IPR&D

The IPR&D consists of InteKrin's INT-131. The Company determined the fair value of the IPR&D based on the cost to recreate the asset to its current stage as the fair value is not determinable as result of the lack of financial projections for this asset due to its early development stage. By applying this method, management estimated that $2.6 million of the acquisition consideration represents the fair value of the IPR&D. The IPR&D acquired through the InteKrin acquisition is treated as an indefinite-lived intangible asset and an annual impairment review will be performed by management. Once this product has been developed and commercialized, the useful life will be determined, and the carrying value of the finite-lived asset will be amortized prospectively over that estimated useful life. Alternatively, if this product is abandoned, the carrying value of the IPR&D will be charged to research and development expense.

Contingent Consideration

The contingent consideration is made up of two potential payments as discussed below.

Contingent Consideration — Earn-out Payment: Upon completion of the first dosing of a human subject in the first Phase 2 clinical trial for InteKrin, InteKrin's stockholders can earn a minimal cash payment and 597,303 shares of the Company's Series B convertible preferred stock upon the successful achievement of this objective. The Company expects the first dosing to be completed in September 2014 and has assigned a 75% success probability to the achievement of this event. At the acquisition date, the fair value of the contingent consideration related to this earn-out payment was determined to be $0.8 million.

C*ontingent Consideration — Compound Transaction Payment:* Upon the execution of any license, sublicense, development, collaboration, joint venture, partnering or similar agreement between the Company and a third-party or any agreement between the Company and such third-party to sell all of the assets related to the acquired InteKrin compound to such third-party, the Company will pay former InteKrin's stockholders cash based on a certain percentage of fees received pursuant to such compound transaction. That payment ranges from 60% of the fees received within one year to 10% after the third anniversary of the date of the final dose administered to the final patient in Phase 2 clinical trial.

The Company estimated that the probability of achieving the compound transaction agreement event is 7.5% of the fair value of this contingent consideration based on a probability weighted determination of both the range of the amount and the likelihood of achieving the estimated payouts. At the acquisition date, the fair value of this contingent consideration from the compound transaction payment was determined to be $0.5 million.

The Company valued the two contingent consideration scenarios using a probability-weighted discounted cash flow approach. A probability of reaching each contingent consideration threshold was estimated by management. A probability-weighted value was determined by multiplying the probability of achieving a contingent payment threshold by the respective contingent payment. The expected cash flows were discounted at a rate selected to capture the risk of achieving the contingent payment thresholds and earning the contingent payment. This risk is composed of InteKrin's continued development, a specific risk factor associated with meeting the contingent consideration threshold and related payout and counterparty risk associated with the payment of the contingent consideration.

Goodwill

Goodwill resulting from this acquisition comprises the excess of the purchase price over the fair value of the underlying net assets acquired and primarily represents the strategic relationship acquired with InteKrin's investors. None of this goodwill will be deductible for tax purposes. Under the applicable accounting guidance, goodwill will not be amortized but will be tested for impairment on an annual basis or more frequently if certain indicators are present.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

7. Debt Obligations

Convertible Notes Issued in 2013

During July 2013 to September 2013, the Company entered into convertible note agreements (the "Bridge Loans") with various stockholders, employees and institutions for an aggregate principal amount of $10.0 million. The Bridge Loans accrued interest of 8% per annum and would mature on July 15, 2014. The principal and the accrued interest on the Bridge Loans were convertible: (i) automatically upon a qualified equity financing into shares of the series of capital stock issued in such financing at a conversion price equal to the price paid by other investors in the financing, (ii) at the option of the holder, upon a change of control of Coherus, into shares of Series B convertible preferred stock at a conversion price of $4.1841 per share, (iii) automatically upon an IPO into shares of Series B convertible preferred stock at a conversion price equal to the lesser of $4.1841 per share or the price per share paid in the IPO or (iv) upon the election of the holders, if none of the liquidity events stated above had occurred on or before maturity date, into shares of Series B convertible preferred stock at a conversion price of $4.1841 per share.

In connection with the Bridge Loans, the Company also issued warrants to purchase shares of its convertible preferred stock at an exercise price of $0.01 per share. The determination of the number of shares issuable pursuant to the 2013 warrants was determined based on 300% of the principal amount of the Bridge Loans divided by the conversion price. In addition, at the issuance date of the notes, there was a beneficial conversion feature. The total aggregate Bridge Loans of $10.0 million was less than the initial fair value of the warrants of $13.6 million at the issuance date. Therefore $10.0 million was recognized as debt discount, and the difference of $3.6 million was immediately charged to other income (expense), net in the consolidated statement of operations and comprehensive loss as the carrying value of the debt could not be reduced to less than zero. No value was recorded initially for the beneficial conversion feature since the carrying value of the debt was zero. The debt discount of $10.0 million was accreted using the effective interest method as an additional interest expense over the term of the Bridge Loans.

In May 2014, the Company completed an equity financing of Series C convertible preferred stock and, as a result, the Bridge Loans and related accrued interest of $10.6 million automatically converted into 1,763,848 shares of Series C convertible preferred stock based on the price per share paid by other investors in the financing. In connection with the extinguishment of the Bridge Loans, the Company reacquired the beneficial conversion feature. The intrinsic value of the beneficial conversion feature at the date of the Bridge Loans extinguishment was $3.9 million. This amount is reflected in additional paid in capital. The Company recorded a gain from the extinguishment of the debt in the amount of $2.0 million which is reflected in other income (expense), net in the condensed consolidated statement of operations.

In addition, as the warrants could be exercised for Series B convertible preferred stock any time after achieving a qualified licensing threshold which was met on December 9, 2013 and before the Series C convertible preferred stock financing, in April and May 2014, all holders of these warrants elected to fully exercise warrants for 7,134,149 shares of Series B convertible preferred stock.

The Company recognized total interest expense of $4.8 million during the year ended December 31, 2013 and $3.9 million for the six months ended June 30, 2014 related to the accrued interest and amortization of the debt discount.

8. Commitments and Contingencies

The Company enters into contracts in the normal course of business with contract research organizations for preclinical studies and clinical trials and contract manufacturing organizations ("CMOs") for the manufacture of clinical trial materials. As of June 30, 2014, the Company has a commitment of $1.9 million with CMOs for the manufacture of clinical trial material due within a year. The Company has an agreement

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

8. Commitments and Contingencies (continued)

with Medpace, Inc. ("Medpace"), a CRO, which provides for a minimum fee commitment of $35.0 million, in aggregate, for clinical trial services; however, the agreement is cancelable without cause by either party upon 30 days prior notification by either party. As of June 30, 2014, $14.2 million of the services related to this agreement had been performed.

9. Common Stock Warrants and Preferred Stock Warrants

In March 2014, the Company issued warrants to purchase 922,309 shares of common stock with the exercise price of $1.00 per share to two employees and one consultant for past services. The warrants are exercisable upon issuance and expire at the earlier of: (i) March 28, 2024, (ii) an IPO or (iii) the consummation of a liquidation event. If the holder has not exercised this warrant prior to the closing of a liquidation event or an IPO, these warrants shall automatically be net exercised. The Company valued the warrants at $2.7 million using the Black-Scholes option-pricing model with the following assumptions: exercise price of $1.00 per share, fair value of the common stock of $3.44 per share, expected volatility of 93% and 96% for the employee and consultant warrants, respectively, risk-free interest rate of 1.74% and 2.73% for the employee and consultant warrants, respectively, expected terms of 5 and 10 years for the employee and consultant warrants, respectively, and dividend yield of zero. The grant date fair value per warrant share was $2.97 for employees and $3.25 for the consultant, resulting in warrant valuations of $2.6 million and $144,000 for the employees and consultant, respectively. Due to the immediate exercisability of the warrants upon issuance, the Company immediately recognized $1.3 million and $1.4 million of stock-based compensation in research and development expense and general and administrative expense, respectively, in the condensed consolidated statement of operations. None of the warrants were exercised as of June 30, 2014.

During April and May 2014, warrants to purchase 7,420,944 shares of Series B convertible preferred stock were exercised for $74,000, which included the 7,134,149 shares of Series B convertible preferred stock warrants related to the Bridge Loans (see Note 7).

10. Stock-Based Compensation

Founders Shares

In October 2010 and January 2011, the Company issued 6,885,000 shares and 1,615,000 shares of common stock, respectively, at $0.005 per share to its founders under the Founder Shares agreements. These Founders Shares agreements required continued rendering of service to the Company in order to vest in those shares. As such, the Company recognized stock-based compensation over the vesting term of four years based on the fair value of the common stock on the dates of issuance. In March 2014, the Company repurchased 400,000 shares of founders' common stock from three founders at $0.005 per share. As of June 30, 2014, there were 540,863 shares subject to repurchase.

The stock-based compensation expense recorded related to the founders' shares was as follows (in thousands):

	Six Months Ended June 30,	
	2013	2014
Research and development	$ 97	$ 236
General and administrative	257	2
	$ 354	$ 238

The total unrecognized stock compensation expense as of June 30, 2014 of $0.6 million will be amortized as the shares vest over the remaining service period of 0.8 years.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

10. Stock-Based Compensation (continued)

2010 Stock Plan

The following table sets forth the summary of option activities under the 2010 Stock Plan (the "Plan") during the six months ended June 30, 2014:

		Options Outstanding	
	Shares Available for Grant	Number of Options	Weighted-Average Exercise Price
Balances at December 31, 2013	1,707,383	5,080,049	$ 0.856
Authorized (unaudited)	3,500,000	—	—
Granted — below fair value (unaudited)	(4,496,675)	4,496,675	1.098
Exercised (unaudited)	—	(44,458)	0.430
Forfeited (unaudited)	280,706	(280,706)	1.175
Balances at June 30, 2014 (unaudited)	991,414	9,251,560	$ 0.966

The weighted average assumptions used to value options granted to employees under the Plan during the six months ended June 30, 2013 and 2014 were as follows:

	Six Months Ended June 30,	
	2013	2014
Expected term (years)	5.51	6.5
Expected volatility	109%	99%
Risk-free interest rate	0.89%	2.07%
Expected dividend yield	0.0%	0.0%

The stock-based compensation expense recorded related to options granted to employees and nonemployees was as follows (in thousands):

	Six Months Ended June 30,	
	2013	2014
Research and development	$ 202	$ 690
General and administrative	180	877
	$ 382	$ 1,567

As of June 30, 2014, total unrecognized compensation expense related to unvested employee and non-employee stock options was $17.0 million, which is expected to be recognized over the remaining weighted-average vesting period of approximately 3.49 years.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

11. Net Loss and Pro Forma Net Loss Per Share Attributable to Coherus

The following outstanding dilutive potential shares have been excluded from the calculation of diluted net loss per share attributable to Coherus for the periods presented due to their anti-dilutive effect:

	June 30,	
	2013	2014
Stock options outstanding	3,943,059	9,251,560
Convertible preferred stock	15,259,595	35,225,839
Convertible preferred stock warrants	598,503	311,708
Common stock warrants	—	922,309

In addition, 2,641,577 and 540,853 shares as of June 30, 2013 and 2014, respectively, were excluded as such shares represented restricted common stock which is vesting contingently upon the holders' continued service to the Company. Furthermore, 597,303 shares of Series B convertible preferred shares contingently issuable upon the successful achievement of an objective associated with contingent consideration payable to former InteKrin stockholders have also been excluded.

The following table sets forth the computation of the unaudited pro forma basic and diluted net loss per share attributable to Coherus (in thousands, except share and per share data):

	Six Months Ended June 30, 2014
Numerator:	
Net loss attributable to Coherus	$ (50,127)
Change in fair value of preferred stock warrant liability	14,666
Net loss used in computing pro forma net loss per share attributable to Coherus, basic and diluted	$ (35,461)
Denominator:	
Weighted-average number of shares used in net loss per share attributable to Coherus, basic and diluted	6,971,482
Pro forma adjustments to reflect;	
Assumed conversion of convertible preferred stock	22,378,229
Assumed exercise of common and preferred stock warrants for cash	795,793
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted	30,145,504
Pro forma net loss per share attributable to Coherus, basic and diluted	$ (1.18)

12. Related Party Transactions

Notes Receivable from Founders

In December 2011, the Company entered into unsecured promissory notes ("Notes Receivable") agreement with the four founders of the Company. Of the four founders, three are members of the executive team of the Company. The aggregate amount of Notes Receivable was $133,000 at the issuance date and the Notes Receivable bore interest at 0.2% per annum. The Company recorded an imputed interest of 4% in relation to these notes. The principal amount of the Notes Receivable, together with all accrued and unpaid interest, was due and payable upon the earlier of: (i) December 26, 2014, (ii) immediately prior to the first filing of a registration statement in connection with an IPO, (iii) immediately prior to the Notes Receivable becoming prohibited under the rules and regulation of the Securities and Exchange Commission, (iv) immediately prior to an acquisition of the Company, (v) the termination of the borrower's employment with the Company or (vi) the occurrence of an event of default.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

12. Related Party Transactions (continued)

As of December 31, 2013, the Company had $107,000 of Notes Receivable outstanding, which is reflected as notes receivable from related parties in the Company's consolidated balance sheets. The interest income related to these Notes Receivable was immaterial for the six months ended June 30, 2013 and 2014.

In May 2014, the Company forgave the outstanding balance of Notes Receivable of $111,000 and the related accrued interest of approximately $1,000, which is reflected in the Company's statement of operations for the six months ended June 30, 2014.

Daiichi Sankyo

The Company entered into a license agreement with Daiichi Sankyo, under which the Company issued 4,780,000 shares of Series B convertible preferred stock. As such, Daiichi Sankyo was deemed to be a related party by ownership of more than 10% of the Company's equity. Accordingly, related party transactions of $1.0 million were reported as collaboration and license revenue–related party in the Company's statements of operations for each of the six months ended June 30, 2013 and 2014. As of December 31, 2013, $6.1 million of revenue was deferred under this agreement, of which $2.0 million was included in current liabilities and $4.1 million was included in non-current liabilities in the consolidated balance sheet. As of June 30, 2014, the Company had $5.1 million in deferred revenue under this agreement, of which $2.0 million was included in current liabilities and $3.1 million was included in non-current liabilities in the Company's condensed consolidated balance sheet. In addition, the Company recognized $0.5 million and $2.4 million as a reduction of research and development expense related to the costs reimbursed by Daiichi Sankyo in the Company's condensed consolidated statements of operations for the six months ended June 30, 2013 and 2014, respectively.

Transactions Associated with Cook

In January and December 2012, the Company issued a total of 3,585,000 shares of Series B convertible preferred stock to Cook as consideration for past and future services. As such, Cook was deemed to be a related party by ownership of more than 10% of the Company's equity. As of December 31, 2013, the Company had $3.0 million in prepaid assets (prepaid clinical, material and manufacturing–related parties) and $278,000 in receivables from related parties, reflected on the Company's condensed consolidated balance sheet associated with Cook. During the second quarter of 2014, Cook divested a majority of its shares of the Company's Series B convertible preferred stock; therefore, as of June 30, 2014, Cook was no longer considered a related party. As a result, the condensed consolidated balance sheet as of June 30, 2014 no longer reflects these balances as related party amounts. For the six months ended June 30, 2013 and 2014, the Company recognized $5.3 million and $4.3 million of services rendered by Cook within research and development expense in the condensed consolidated statements of operations, respectively.

Transactions Associated with Medpace Agreement

One member of the Board of Directors is also the chief executive officer of Medpace. As such, Medpace was deemed to be a related party. As of December 31, 2013, the Company had $198,000 in prepaid assets (prepaid clinical, material and manufacturing–related parties), $383,000 in accounts payable–related parties, and $2.8 million in accrued and other liabilities (accrued clinical and manufacturing–related parties), all reflected on the Company's condensed consolidated balance sheet associated with Medpace. As of June 30, 2014, the Company had $292,000 in prepaid assets (prepaid clinical, material, manufacturing and other–related parties), $2.9 million in accounts payable–related parties, and $2.2 million in accrued and other liabilities (accrued clinical and manufacturing–related parties), all reflected on the Company's condensed consolidated balance sheet associated with Medpace. For the six months ended June 30, 2013 and 2014, the Company recognized $2.8 million and $8.8 million of services rendered by Medpace within research and development expense in the

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

12. Related Party Transactions (continued)

condensed consolidated statements of operations, respectively. The Company also has an agreement with Medpace which provides for a minimum fee commitment of $35.0 million for clinical trial services which is further discussed in Note 8. As of June 30, 2014, $14.2 million of the services related to this agreement has been performed.

Recruiting Services

One member of the Board of Directors was the chief executive officer of a company that provided recruiting services to the Company. As of June 30, 2014, the Company had $99,000 in prepaid assets (prepaid clinical, material, manufacturing and other–related parties) and $135,000 in accounts payable-related parties, reflected on the Company's condensed consolidated balance sheet. As of December 31, 2013, there were no such balances in the Company's consolidated balance sheet. During the six months ended June 30, 2013 and 2014, the Company recognized $63,000 and $257,000, respectively, for services rendered by the recruiting company recorded in research and development expense in the Company's condensed consolidated statements of operations.

Convertible Notes — Related Parties

In July to September 2013, the Company entered into Bridge Loans with certain investors, including existing stockholders, some members of the Board of Directors and their affiliated companies and some members of management, for a total aggregate amount of $10.0 million and issued the 2013 Warrants to purchase shares of the Company's preferred stock at an exercise price of $0.01 per share. As such, $7.1 million of the total aggregate amount of the Bridge Loans were from related parties. As of December 31, 2013, the carrying value of the Bridge Loans was $3.1 million, net of debt discount. In May 2014, the Company completed a preferred stock financing and contemporaneously the Bridge Loans and the related accrued interest were automatically converted into Series C preferred stock (see Note 7). For the six months ended June 30, 2013 and 2014, the Company recognized $0 and $2.7 million, respectively, of interest expense related to the debt and the amortization of the debt discount within interest expense in the Company's condensed consolidated statements of operations.

InteKrin Acquisition

In February 2014, the Company completed the acquisition of the InteKrin for total consideration of $5.0 million (see Note 6). Mr. Dennis M. Lafear, the chief executive officer of the Company was the chairman of the board and acting president of InteKrin at the time of the acquisition. As such, the InteKrin acquisition was a related party transaction. Mr. Lanfear also owns 10% of the outstanding securities of InteKrin Russia.

13. Subsequent Events

The Company evaluated subsequent events through September 25, 2014, the date at which the financial statements were available for issuance.

The Company received $15.0 million in July 2014 and expects to receive $10.0 million in September 2014 due to the achievement of certain events pursuant to the Baxter license agreement. Of the $15.0 million received from Baxter in July 2014, $2.5 million is contingently subject to reimbursement to Baxter.

In August 2014, the Company met the primary endpoint in a pivotal clinical pharmacokinetic ("PK") clinical study that compared similarity study of the Company's CHS-1420 product candidate to Humira® in healthy subjects. The parallel-group, single-dose study met the criteria for clinical PK similarity on all three required, prospectively defined, PK endpoints. Both agents were well tolerated and there were no differential safety findings observed between the two agents in this study.

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, 2014

PART II
Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by the registrant in connection with the sale of Common Stock being registered. All amounts are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and The NASDAQ Global Market, or NASDAQ, listing fee.

Item	Amount to be paid
SEC registration fee	$ 11,109
FINRA filing fee	11,438
NASDAQ listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky qualification fees and expenses	*
Transfer agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment

Item 14. Indemnification of Directors and Officers.

As permitted by Section 102 of the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and bylaws that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws provide that:

- we may indemnify our directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;
- we may advance expenses to our directors, officers and employees in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights provided in our amended and restated bylaws are not exclusive.

Our amended and restated certificate of incorporation, attached as Exhibit 3.1, and our amended and restated bylaws, attached as Exhibit 3.3, provide for the indemnification provisions described above and elsewhere herein. We intend to enter into separate indemnification agreements with our directors and officers which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements generally require us, among other things, to indemnify our officers and directors against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. In addition, we have purchased a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act.

The form of Underwriting Agreement, to be attached as Exhibit 1.1 hereto, provides for indemnification by the underwriters of us and our officers who sign this Registration Statement and directors for specified liabilities, including matters arising under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information as to all securities we have sold since January 1, 2011, which were not registered under the Securities Act.

1. In January 2011, we issued an aggregate of 1,615,000 shares of common stock to a service provider of the Company for aggregate cash consideration of $8,075. These shares were subject to vesting restrictions which lapsed over time pursuant to the recipient's continued service to the Company. Such individual terminated services with the Company in March of 2013, at which time the Company repurchased 100,000 vested shares.
2. In January 2011, we issued an aggregate of $159,840 in principal amount of unsecured convertible promissory notes and stock purchase warrants to purchase an aggregate of 106,560 shares of Series A convertible preferred stock at an exercise price of $0.75 per share to five accredited investors. The warrants may be exercised at any time prior to their termination dates, which are five years from the date of issuance.
3. In March 2011, we issued an aggregate of 1,620,888 shares of our Series A convertible preferred stock at a price per share of $0.75 for a combination of cash and conversion of $160,699 in convertible debt, for an aggregate gross consideration of $1.2 million, to 13 accredited investors.
4. From July 2011 through December 2011, in a series of closings, we issued an aggregate of $10,394,477 in principal amount of unsecured convertible promissory notes and stock purchase warrants to purchase an aggregate of 587,543 shares of Series B convertible preferred stock at an exercise price of $0.01 per share to 15 accredited investors. The warrants may be exercised at any time prior to their termination dates, which are seven years from the date of issuance.
5. In January 2012, we issued an aggregate of 8,754,742 shares of our Series B convertible preferred stock at a price per share of $4.1841 for a combination of cash and conversion of $10.6 million in convertible debt, for an aggregate gross consideration of $36.6 million, to 18 accredited investors. An aggregate of 836,500 shares were issued as consideration for past and future services provided to the Company by one investor, for an aggregate value of $3.5 million, which was determined (i) exceeded the par value of such shares and (ii) was no less than the aggregate purchase price for such shares.
6. In April 2012, we issued an aggregate of 95,600 shares of our Series B convertible preferred stock at a price per share of $0.01, for an aggregate gross consideration of $956, pursuant to the exercise of outstanding stock purchase warrants to two accredited investors.

7. In December 2012, we issued an aggregate of 4,788,365 shares of our Series B convertible preferred stock at a price per share of $4.1841 for an aggregate gross consideration of $20.0 million, to seven accredited investors. An aggregate of 2,876,365 shares were issued as consideration for past and future services provided to the Company by five investors, for an aggregate value of $12.0 million, which was determined (i) exceeded the par value of such shares and (ii) was no less than the aggregate purchase price for such shares.

8. From July 2013 through September 2013, in a series of closings, we issued an aggregate of $9,950,000 in principal amount of secured convertible promissory notes and stock purchase warrants to purchase an aggregate of 7,134,149 shares of Series B convertible preferred stock at an exercise price of $0.01 per share to 19 accredited investors. The warrants may be exercised at any time prior to their termination dates, which are seven years from the date of issuance.

9. In February 2014, we issued an aggregate of 420,106 shares of our Series B convertible preferred stock at a price per share of $4.1841 for an aggregate gross consideration of $1.8 million, to two accredited investors. An aggregate of 13,623 shares were issued as consideration for past and future services provided to the Company by one investor, for an aggregate value of $57,000, which was determined (i) exceeded the par value of such shares and (ii) was no less than the aggregate purchase price for such shares.

10. In February 2014, we issued an aggregate of 143,400 shares of our Series B convertible preferred stock in consideration for services rendered to four service providers.

11. In February 2014, we issued an aggregate of 1,051,286 shares of our Series B convertible preferred stock to certain stockholders of InteKrin Therapeutics Inc., or InteKrin, in connection with our acquisition of InteKrin.

12. In April and May 2014, we issued an aggregate of 7,420,944 shares of our Series B convertible preferred stock at a price per share of $0.01, for an aggregate gross consideration of $74,209, pursuant to the exercise of outstanding stock purchase warrants to 19 accredited investors.

13. In May 2014, we issued an aggregate of 10,930,508 shares of our Series C convertible preferred stock at a price per share of $6.00 for a combination of cash and conversion of $10.6 million in convertible debt, for an aggregate gross consideration of $65.6 million, to 35 accredited investors. An aggregate of 16,667 shares were issued as consideration for past and future services provided to the Company by three investors, for an aggregate value of $100,000.00, which was determined (i) exceeded the par value of such shares and (ii) was no less than the aggregate purchase price for such shares.

14. We granted stock options and stock awards to employees, directors and consultants under our 2010 Equity Incentive Plan, as amended, covering an aggregate of 9,748,372 shares of common stock, at a weighted-average exercise price of $0.9713 per share. Of these, options covering an aggregate of 544,073 shares were canceled without being exercised.

15. We sold an aggregate of 87,062 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of $26,070 upon the exercise of stock options and stock awards.

We claimed exemption from registration under the Securities Act for the sale and issuance of securities in the transactions described in paragraphs (1)-(13) by virtue of Section 4(a)(2) and/or Regulation D promulgated thereunder as transactions not involving any public offering. All of the purchasers of unregistered securities for which we relied on Section 4(a)(2) and/or Regulation D represented that they were accredited investors as defined under the Securities Act. We claimed such exemption on the basis that (a) the purchasers in each case represented that they intended to acquire the securities for investment only and not with a view to the distribution thereof and that they either received adequate information about the registrant or had access, through employment or other relationships, to such information and (b) appropriate legends were affixed to the stock certificates issued in such transactions.

We claimed exemption from registration under the Securities Act for the sales and issuances of securities in the transactions described in paragraphs (14)-(15) above under Section 4(a)(2) of the Securities Act in that such sales and issuances did not involve a public offering or under Rule 701 promulgated under the Securities Act, in that they were offered and sold either pursuant to written compensatory plans or pursuant to a written contract relating to compensation, as provided by Rule 701.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits. See the Exhibit Index attached to this Registration Statement, which is incorporated by reference herein.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Redwood City, California, on September 25, 2014.

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Dennis M. Lanfear
President and Chief Executive Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Dennis M. Lanfear as his or her true and lawful attorneys-in-fact and agents, with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent, with full power to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Dennis M. Lanfear Dennis M. Lanfear	Chairman, President and Chief Executive Officer *(Principal Executive Officer)*	September 25, 2014
/s/ Jean-Frédéric Viret, Ph.D. Jean-Frédéric Viret, Ph.D.	Chief Financial Officer *(Principal Financial Officer)*	September 25, 2014
/s/ Michael A. Nazak Michael A. Nazak	Senior Vice President Finance & Administration *(Principal Accounting Officer)*	September 25, 2014
/s/ James I. Healy, M.D., Ph.D. James I. Healy, M.D., Ph.D.	Director	September 25, 2014
/s/ V. Bryan Lawlis, Ph.D. V. Bryan Lawlis, Ph.D.	Director	September 25, 2014
/s/ Christos Richards Christos Richards	Director	September 25, 2014
/s/ Ali J. Satvat Ali J. Satvat	Director	September 25, 2014

Signature	Title	Date
/s/ August J. Troendle, M.D. August J. Troendle, M.D.	Director	September 25, 2014
/s/ Mats Wahlström Mats Wahlström	Director	September 25, 2014
/s/ Mary T. Szela Mary T. Szela	Director	September 25, 2014

Exhibit Index

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Fifth Restated Certificate of Incorporation, currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering.
3.3	Bylaws, currently in effect.
3.4*	Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering.
4.1	Reference is made to Exhibits 3.1 through 3.4.
4.2*	Form of Common Stock Certificate.
4.3	Third Amended and Restated Investor Rights Agreement, dated as of May 9, 2014 by and among Coherus BioSciences, Inc. and certain investors named therein.
5.1*	Opinion of Latham & Watkins LLP.
10.1†	License Agreement, effective January 23, 2012, by and between Daiichi Sankyo Company, Limited and BioGenerics, Inc.
10.2(a)†	License Agreement, effective August 30, 2013, by and among Baxter International Inc., Baxter Healthcare Corporation, and Baxter Healthcare SA and Coherus BioSciences, Inc.
10.2(b)†	First Amendment to License Agreement, effective February 7, 2014, by and among Baxter International Inc., Baxter Healthcare Corporation, and Baxter Healthcare SA and Coherus BioSciences, Inc.
10.3†	Distribution Agreement, effective December 26, 2012, by and between Orox Pharmaceuticals B.V. and Coherus BioSciences, Inc.
10.4†	Non-Exclusive License Agreement, effective July 10, 2013, by and between Genentech, Inc. and Coherus BioSciences, Inc.
10.5†	Commercial License Agreement, effective April 8, 2011, by and between Selexis SA and BioGenerics, Inc.
10.6†	Commercial License Agreement, effective June 25, 2012, by and between Selexis SA and Coherus BioSciences, Inc.
10.7	Agreement and Plan of Merger, dated January 8, 2014, by and among Coherus BioSciences, Inc., Coherus Intermediate Corp., Coherus Acquisition Corp., InteKrin Therapeutics Inc., and Fortis Advisors LLC.
10.8(a)	Office Lease, effective September 26, 2011, by and between CA-Towers at Shores Center Limited Partnership and BioGenerics, Inc.
10.8(b)	First Amendment to the Office Lease, effective May 17, 2012, by and between CA-Towers at Shores Center Limited Partnership and Coherus BioSciences, Inc.
10.8(c)	Second Amendment to the Office Lease, effective September 11, 2013, by and between CA-Towers at Shores Center Limited Partnership and Coherus BioSciences, Inc.
10.8(d)	Third Amendment to the Office Lease, effective February 4, 2014, by and between CA-Towers at Shores Center Limited Partnership and Coherus BioSciences, Inc.
10.8(e)	Fourth Amendment to the Office Lease, effective May 1, 2014, by and between CA-Towers at Shores Center Limited Partnership and Coherus BioSciences, Inc.

Exhibit Number	Description
10.9(a)	Standard Industrial/Commercial Multi-tenant Lease-Gross, effective December 5, 2011, by and between Howard California Property Camarillo 5 and BioGenerics, Inc.
10.9(b)	First Amendment to Lease, effective December 21, 2013, by and between Howard California Property Camarillo 5 and Coherus BioSciences, Inc.
10.10(a)#	BioGenerics, Inc. 2010 Equity Incentive Plan, as amended.
10.10(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2010 Equity Incentive Plan, as amended.
10.11*#	Coherus BioSciences, Inc. 2014 Equity Incentive Award Plan and forms of agreement thereunder.
10.12*#	Coherus BioSciences, Inc. 2014 Employee Stock Purchase Plan and forms of agreement thereunder.
10.13*#	Form of Indemnification Agreement between Coherus BioSciences, Inc. and each of its directors, officers and certain employees.
10.14#	Separation Agreement, effective June 30, 2014, by and between Stephen C. Glover and Coherus BioSciences, Inc.
10.15†	Master Services Agreement, effective January 23, 2012, by and between Medpace, Inc. and BioGenerics, Inc.
10.16(a)†	Task Order Number 13, effective October 18, 2013, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.16(b)†	Amendment Number 1 to Task Order Number 13, effective April 23, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.16(c)†	Amendment Number 2 to Task Order Number 13, effective May 21, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.16(d)†	Amendment Number 3 to Task Order Number 13, effective May 30, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.16(e)†	Amendment Number 4 to Task Order Number 13, effective August 19, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
23.1	Consent of independent registered public accounting firm.
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on the signature page).

* To be filed by amendment.

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

# Indicates management contract or compensatory plan.

COHERUS BIOSCIENCES, INC.

FIFTH RESTATED CERTIFICATE OF INCORPORATION

Coherus BioSciences, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "**Delaware General Corporation Law**"), hereby certifies as follows:

The name of this corporation is Coherus BioSciences, Inc. and the original Certificate of Incorporation of the corporation was filed under the corporation's original name, BioGenerics, Inc., with the Secretary of State of the State of Delaware on September 29, 2010. The Restated Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on March 1, 2011. The Second Restated Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on January 23, 2012. The Certificate of Amendment of the Second Restated Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on April 18, 2012. The Third Restated Certificate of Incorporation of the Company was filed with the Secretary of State of the State of Delaware on December 14, 2012. The Certificate of Amendment to the Third Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on July 12, 2013. The Fourth Restated Certificate of Incorporation of the Company was filed with the Secretary of State of the State of Delaware on February 12, 2014.

The Fifth Restated Certificate of Incorporation in the form of Exhibit A attached hereto has been duly adopted in accordance with the provisions of Sections 242, 245, and 228 of the Delaware General Corporation Law.

The text of the Fourth Restated Certificate of Incorporation as heretofore amended or supplemented is hereby restated and further amended to read in its entirety as set forth in Exhibit A attached hereto.

IN WITNESS WHEREOF, this Fifth Restated Certificate of Incorporation has been signed this 9th day of May, 2014.

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Dennis M. Lanfear, President

EXHIBIT A

FIFTH RESTATED CERTIFICATE OF INCORPORATION

OF

COHERUS BIOSCIENCES, INC.

FIRST

The name of this corporation is Coherus BioSciences, Inc. (the "**Company**").

SECOND

The address of the Company's registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD

The purpose of this corporation is to engage in the lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law.

FOURTH

A. The aggregate number of shares that the Company shall have authority to issue is 93,207,039 divided into 57,000,000 shares of Common Stock each with the par value of $0.0001 per share (the "**Common Stock**"), and 36,207,039 shares of Preferred Stock each with the par value of $0.0001 per share (the "**Preferred Stock**"). The Preferred Stock may be issued in one or more series, of which one such series shall be denominated the "**Series A Preferred**," one series shall be denominated the "**Series B Preferred**" and one series shall be denominated the "**Series C Preferred**." The Series A Preferred shall consist of 1,727,448 shares, the Series B Preferred shall consist of 23,479,591 shares and the Series C Preferred shall consist of 11,000,000 shares.

B. The terms and provisions of the Preferred Stock and Common Stock are as follows, provided, however, that the holders of an aggregate of at least a majority of the then outstanding shares of the Series A Preferred may waive any of the following rights, powers, preferences, or privileges applicable to all shares of the Series A Preferred in any given instance without prejudice to such rights, powers, preferences, or privileges in any other instance, and any such waiver shall be binding on all future holders of the shares of Series A Preferred; provided, further, that, except as set forth in Section 5(b) of this Article FOURTH, the holders of an aggregate of at least fifty-five percent (55%) of the then outstanding shares of the Series B Preferred, may waive any of the following rights, powers, preferences, or privileges applicable to all shares of the Series B Preferred in any given instance without prejudice to such rights, powers, preferences, or privileges in any other instance, and any such waiver shall be binding on all future holders of the shares of Series B Preferred; provided, further, that, except as set forth in

Section 5(c) of this Article FOURTH, the holders of an aggregate of at least fifty-five percent (55%) of the then outstanding shares of the Series C Preferred, including at least two (2) Specified Series C Stockholders (as defined in that certain Series C Preferred Stock Purchase Agreement, dated on or about the date hereof, by and among the Company and the investors named therein (the "**Purchase Agreement**")) may waive any of the following rights, powers, preferences, or privileges applicable to all shares of the Series C Preferred in any given instance without prejudice to such rights, powers, preferences, or privileges in any other instance, and any such waiver shall be binding on all future holders of the shares of Series C Preferred.

1. Dividends.

(a) Treatment of Preferred Stock. The holders of the Series C Preferred shall be entitled to receive dividends payable out of any funds or assets at the time legally available therefore, prior and in preference to any declaration or payment of any dividend on the Series B Preferred, Series A Preferred or Common Stock (other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company). Subject to Section 5(c)(v) of this Article FOURTH, such dividends shall be payable only when, as and if declared by the board of directors of the Company (the "**Board of Directors**"). No dividends other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company shall be paid on any Series B Preferred, Series A Preferred or Common Stock unless and until a dividend is paid with respect to all outstanding shares of Series C Preferred in an amount equal to or greater that the aggregate amount of dividends which would be payable on each share of Series C Preferred if, immediately prior to such dividend payment on the Series B Preferred, Series A Preferred or Common Stock, it had been converted into Common Stock. The Board of Directors is under no obligation to declare dividends, no rights shall accrue to the holders of Series C Preferred if dividends are not declared, and any dividends declared shall be noncumulative.

(b) After payment of the prior dividend rights of the Series C Preferred pursuant to the above provisions of Section 1(a), the holders of the Series B Preferred shall be entitled to receive dividends payable out of any funds or assets at the time legally available therefore, prior and in preference to any declaration or payment of any dividend on the Series A Preferred or Common Stock (other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company). Subject to Section 5(b)(v) of this Article FOURTH, such dividends shall be payable only when, as and if declared by the Board of Directors. No dividends other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company shall be paid on any Series A Preferred or Common Stock unless and until a dividend is paid with respect to all outstanding shares of Series B Preferred in an amount equal to or greater that the aggregate amount of dividends which would be payable on each share of Series B Preferred if, immediately prior to such dividend payment on the Series A Preferred or Common Stock, it had been converted into Common Stock. The Board of Directors is under no obligation to declare dividends, no rights shall accrue to the holders of Series B Preferred if dividends are not declared, and any dividends declared shall be noncumulative.

(c) After payment of the prior dividend rights of the Series C Preferred and Series B Preferred pursuant to the above provisions of Section 1(a) and Section 1(b), respectively, the holders of the Series A Preferred shall be entitled to receive dividends payable out of any funds or assets at the time legally available therefore, prior and in preference to any declaration or payment of any dividend on the Common Stock (other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company). Subject to Section 5(b)(v) of this Article FOURTH, such dividends shall be payable only when, as and if declared by the Board of Directors. No dividends other than (x) those payable on Common Stock solely in additional shares of Common Stock or (y) those payable on capital stock of the Company solely in other securities of the Company shall be paid on any Common Stock unless and until a dividend is paid with respect to all outstanding shares of Series A Preferred in an amount equal to or greater that the aggregate amount of dividends which would be payable on each share of Series A Preferred if, immediately prior to such dividend payment on the Common Stock, it had been converted into Common Stock. The Board of Directors is under no obligation to declare dividends, no rights shall accrue to the holders of Series A Preferred if dividends are not declared, and any dividends declared shall be noncumulative.

(d) Subject to Section 5(b)(v) and Section 5(c)(v) of this Article FOURTH, after payment of the prior dividend rights of the Series C Preferred, Series B Preferred and Series A Preferred pursuant to the above provisions of Sections 1(a), (b) and (c), dividends may be paid to the holders of Common Stock out of any funds or assets at the time legally available therefore, when, as and if declared by the Board of Directors.

(e) Distribution. "**Distribution**" means the transfer of cash, property or securities without consideration, whether by way of dividend or otherwise, or the purchase of shares of the Company (other than in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, officers or directors at a price not greater than the amount paid by such persons for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or upon exercise of a right of first refusal approved by the Board of Directors) for cash or property.

(f) Repurchases. To the extent certain sections of the corporations code of any state set forth minimum requirements for the Company's retained earnings and/or assets that would otherwise be applicable to Distributions made by the Company in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, advisors, officers, directors or other service providers of the Company or any of the Company's subsidiaries at a price not greater than the amount paid by such person for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or upon exercise of a right of first refusal, where such agreements were authorized by the Board of Directors, such Distributions may be made without regard to any "preferential dividends arrears amount," "preferential rights amount," or similar concept.

2. Liquidation Rights.

(a) Liquidation Preference. In the event of any Liquidation (as defined below), either voluntary or involuntary, the holders of the Series C Preferred shall be entitled to receive, out of the assets of the Company, the Liquidation Preference specified for each share of Series C Preferred then held by them, prior and in preference to any payment which shall be made or any assets distributed to the holders of Series B Preferred, Series A Preferred or Common Stock. If upon the Liquidation, the assets to be distributed among the holders of the Series C Preferred are insufficient to permit the payment to such holders of the full amount to which they shall be entitled under this Section 2(a), then the entire assets of the Company legally available for distribution to the holders of Series C Preferred shall be distributed with equal priority and pro rata among the holders of the Series C Preferred. "**Liquidation Preference**" shall mean (i) with respect to any shares of Series A Preferred, $0.75 per share (as adjusted for stock splits, combinations, reorganizations and the like) (the "**Series A Original Issuance Price**") plus declared and unpaid dividends on such share, (ii) with respect to any shares of Series B Preferred, $4.1841 per share (as adjusted for stock splits, combinations, reorganizations and the like) (the "**Series B Original Issuance Price**") plus declared and unpaid dividends on such share and (iii) with respect to any shares of Series C Preferred, $6.00 per share (as adjusted for stock splits, combinations, reorganizations and the like) (the "**Series C Original Issuance Price**") plus declared and unpaid dividends on such share.

(b) Upon completion of the distribution required by subsection (a) of this Section 2, the holders of the Series B Preferred shall be entitled to receive, out of the assets of the Company, the Liquidation Preference specified for each share of Series B Preferred then held by them, prior and in preference to any payment which shall be made or any assets distributed to the holders of Series A Preferred or Common Stock. If upon the Liquidation, the assets to be distributed among the holders of the Series B Preferred are insufficient to permit the payment to such holders of the full amount to which they shall be entitled under this Section 2(b), then the entire assets of the Company legally available for distribution to the holders of Series B Preferred shall be distributed with equal priority and pro rata among the holders of the Series B Preferred.

(c) Upon completion of the distributions required by subsection (a) and (b) of this Section 2, the holders of the Series A Preferred shall be entitled to receive, out of the assets of the Company, the Liquidation Preference specified for each share of Series A Preferred then held by them, prior and in preference to any payment which shall be made or any assets distributed to the holders of Common Stock. If upon the Liquidation, the assets to be distributed among the holders of the Series A Preferred are insufficient to permit the payment to such holders of the full amount to which they shall be entitled under this Section 2(c), then the entire assets of the Company legally available for distribution to the holders of Series A Preferred shall be distributed with equal priority and pro rata among the holders of the Series A Preferred.

(d) Remaining Assets. Upon completion of the distributions required by subsection (a), (b) and (c) of this Section 2, no further payments shall be made to the holders of Preferred Stock by reason thereof and any remaining assets of the Company shall be distributed with equal priority and pro rata among the holders of the Company's Common Stock.

(e) Liquidation. A "**Liquidation**" shall be deemed to be occasioned by, or to include, (i) the liquidation, dissolution or winding up of the Company; (ii) the acquisition of the Company by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation) provided that the applicable transaction shall not be deemed a liquidation if the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions continue to retain, in substantially the same proportion of ownership as prior to the transaction (either by such voting securities remaining outstanding or by such voting securities being converted into securities of the surviving entity), a majority of the total voting power represented by the voting securities and a majority of the equity interests of the Company or such surviving entity outstanding immediately after such transaction or series of related transactions; or (iii) a sale lease, exclusive license or other disposition of all or substantially all of the assets of the Company in any transaction or series of related transactions. In the event of a deemed "Liquidation" pursuant to clause (iii) in this Section 2(e) above, if the Company does not effect a dissolution of the Company under the Delaware General Corporation Law within forty-five (45) days after such deemed Liquidation, then (A) the Company shall deliver a written notice to each holder of Preferred Stock no later than the forty-fifth (45th) day after the deemed Liquidation advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such shares of Preferred Stock, and (B) if the holders of at least a majority of the then outstanding shares of Preferred Stock so request in a written instrument delivered to the Company not later than sixty (60) days after such deemed Liquidation, the Company shall use the consideration received by the Company for such deemed Liquidation (net of any liabilities associated with the assets sold, leased or exclusively licensed as determined in good faith by the Board of Directors), to the extent legally available therefor (the "**Net Proceeds**"), to redeem, on the seventy-fifth (75th) day after such deemed Liquidation (the "**Liquidation Redemption Date**"), all outstanding shares of Preferred Stock at a price per share equal to the applicable Liquidation Preference. In the event of a redemption pursuant to the preceding sentence, if the Net Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Company shall redeem a pro rata portion of each holder's shares of Preferred Stock in accordance with the preferences and priorities set forth in subsections (a) and (b) of Section 2, and shall redeem the remaining shares as soon as it may lawfully do so under the Delaware General Corporation Law. Prior to the distribution or redemption provided for in this Section 2(e), the Company shall not expend or dissipate the consideration received for such deemed Liquidation, except to discharge expenses incurred in the ordinary course of business.

(f) Shares not Treated as Both Preferred Stock and Common Stock in any Distribution. Shares of Preferred Stock shall not be entitled to be converted into shares of Common Stock in order to participate in any distribution, or series of distributions, as shares of Common Stock, without first foregoing participation in the distribution, or series of distributions, as shares of Preferred Stock; *provided*, *however*, that notwithstanding Sections 2(a), 2(b), 2(c), 2(d) and 2(e) above, each holder of Preferred Stock shall be entitled to receive, for each share of each series of Preferred Stock then held, out of the proceeds available for distribution, the greater of (i) the amount of cash, securities or other property to which such holder would be entitled to receive with respect to such shares in a Liquidation pursuant to Sections 2(a), 2(b), 2(c) or 2(e), (without giving effect to this Section 2(f) or (ii) the amount of cash, securities or other property to which such holder would be entitled to receive in a

Liquidation with respect to such shares if such shares had been converted to Common Stock immediately prior to such Liquidation, giving effect to this Section 2(f) with respect to all series of Preferred Stock simultaneously. If the holder is treated as if such holder had converted such shares of a series of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any Distribution pursuant to Sections 2(a), 2(b), 2(c) or 2(e), as applicable, that would otherwise be made to holders of such series of Preferred Stock.

(g) Allocation of Escrow and Contingent Consideration. In the event of a Liquidation pursuant to Section 2(e)(ii), if any portion of the consideration payable to the stockholders of the Company is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the definitive agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2(a), 2(b), 2(c), 2(d) and 2(f) as if the Initial Consideration were the only consideration payable in connection with such Liquidation; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections Sections 2(a), 2(b), 2(c), 2(d) and 2(f) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2(g), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Conversion. The Preferred Stock shall have conversion rights as follows:

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent for the Preferred Stock. Each share of Series A Preferred, Series B Preferred and Series C Preferred shall be convertible into that number of fully-paid and nonassessable shares of Common Stock that is equal to $0.75, $4.1841 and $6.00, respectively (in each case, as adjusted for stock splits, combinations, reorganizations and the like) divided by the applicable Conversion Price (as hereinafter defined) for such series of Preferred Stock. The "**Conversion Price**" per share of Series A Preferred, Series B Preferred and Series C Preferred shall initially be $0.75, $4.1841 and $6.00, respectively, and shall be subject to adjustment as provided herein.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price immediately upon (1) the affirmative vote of (i) the holders of at least fifty-five percent (55%) of the then outstanding Series B Preferred, voting as a single, separate class and (ii) the holders of at least fifty-five percent (55%) of the then outstanding Series C Preferred, including at least two (2) Specified Series C Stockholders, voting as a single, separate class or (2) the consummation of a firmly underwritten public offering pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), on Form S-1 (as defined in the Securities Act) or any successor form as declared effective by the Securities and Exchange Commission, provided, however, that (i) the underwriters are of national reputation and (ii) the aggregate gross proceeds to the Company are not less than $45,000,000 (a "**Qualified IPO**").

(c) Mechanics of Conversion. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay the fair market value cash equivalent of such fractional share as determined in good faith by the Board of Directors of the Company. For such purpose, all shares of Preferred Stock held by each holder shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, he shall surrender the Preferred Stock certificate or certificates, duly endorsed, at the office of the Company or of any transfer agent for the Preferred Stock, and shall give written notice to the Company at such office that such holder elects to convert such shares; provided, however, that in the event of an automatic conversion pursuant to subsection 3(b) above, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided further, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless either the certificates evidencing such shares of Preferred Stock are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company (but shall not be required to provide a bond) to indemnify the Company from any loss incurred by it in connection with such certificates.

The Company shall, as soon as practicable after delivery of the Preferred Stock certificates, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any declared or accumulated but unpaid dividends on the converted Preferred Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; provided, however, that if the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of the sale of such securities.

(d) Adjustments to Conversion Price.

(i) Adjustments for Subdivisions or Combinations of Common. After the date of the filing of this Fifth Restated Certificate of Incorporation (the "**Filing Date**"), if the outstanding shares of Common Stock shall be subdivided (by stock split,

stock dividend or otherwise), into a greater number of shares of Common Stock, the Conversion Price in effect immediately prior to such subdivision for each series of Preferred Stock shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. After the Filing Date, if the outstanding shares of Common Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Common Stock, the Conversion Price in effect immediately prior to such combination for each series of Preferred Stock shall, concurrently with the effectiveness of such combination, be proportionately increased.

(ii) Adjustments for Reclassification, Exchange and Substitution. Subject to the provisions of Section 2 of Article FOURTH, if the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by subsections 3(d)(i), 3(d)(iii), 3(d)(iv) or 3(d)(v))), the Conversion Price then in effect for each series of Preferred Stock shall, concurrently with the effectiveness of such reorganization, recapitalization, reclassification, consolidation or merger be proportionately adjusted such that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

(iii) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Filing Date, the Company shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other Distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the applicable Conversion Price for each series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price by a fraction:

(A) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(B) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or Distribution;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such Distribution is not fully made on the date fixed therefor, the applicable Conversion Price for each series of Preferred Stock shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or Distributions; and provided further, however, that no such adjustment shall be made if the

holders of Preferred Stock simultaneously receive (i) a dividend or other Distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event or (ii) a dividend or other Distribution of shares of Preferred Stock which are convertible, as of the date of such event, into such number of shares of Common Stock as is equal to the number of additional shares of Common Stock being issued with respect to each share of Common Stock in such dividend or Distribution.

(iv) Adjustments for Other Dividends and Distributions. If at any time or from time to time on or after the Filing Date, the Company shall make or issue, or fix a record date for the determination of holders of capital stock of the Company entitled to receive, a dividend or other Distribution payable in securities of the Company (other than a Distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 3(d)(iii) do not apply to such dividend or Distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the Distribution to the holders of such capital stock, a dividend or other Distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

(v) Adjustments for Dilutive Issuances.

(A) After the Filing Date, if the Company shall issue or sell any shares of Common Stock (as actually issued or, pursuant to paragraph (C) below, deemed to be issued) for a consideration per share less than the Conversion Price for any series of Preferred Stock in effect immediately prior to such issue or sale, then immediately upon such issue or sale the Conversion Price for each such series of Preferred Stock shall be reduced to a price (calculated to the nearest cent) determined by multiplying such prior Conversion Price by a fraction, the numerator of which shall be the number of shares of "Calculated Securities" (defined below) outstanding immediately prior to such issue or sale plus the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of shares of Common Stock so issued or sold would purchase at such prior Conversion Price, and the denominator of which shall be the number of shares of Calculated Securities outstanding immediately prior to such issue or sale plus the number of shares of Common Stock so issued or sold. "**Calculated Securities**" means (i) all shares of Common Stock actually outstanding; (ii) all shares of Common Stock issuable upon conversion of the then outstanding Preferred Stock (without giving effect to any adjustments to the conversion price of any series of Preferred Stock as a result of such issuance); and (iii) all shares of Common Stock issuable upon exercise and/or conversion of outstanding options, warrants or other rights for the purchase of shares of stock.

(B) For the purposes of paragraph (A) above, none of the following issuances shall be considered the issuance or sale of Common Stock:

(1) The issuance of Common Stock upon the exercise, conversion or exchange of any then-outstanding Convertible Securities, pursuant to the terms thereof. **"Convertible Securities**" shall mean any bonds, debentures, notes or other evidences of indebtedness, and any warrants, shares or any other securities convertible into, exercisable for, or exchangeable for Common Stock.

(2) The issuance of any Common Stock or Convertible Securities as a dividend or Distribution on the Company's stock, including any Shares of Common Stock issued or issuable by reason of a stock split, split-up or other distribution on shares of Common Stock that is covered by Section 3(d)(i) or Section 3(d)(ii).

(3) The issuance of up to 10,330,036 shares of Common Stock (or options to purchase shares of Common Stock) to employees, directors or consultants of the Company under a stock plan approved by the Board of Directors (not including the reissuance of shares repurchased by the Company from employees or consultants of the Company).

(4) The issuance of shares of Common Stock or Convertible Securities to lenders, financial institutions, equipment lessors, or real estate lessors to the Company in connection with a bona fide borrowing or leasing transaction approved by the Board of Directors.

(5) The issuance of Common Stock or Convertible Securities as acquisition consideration pursuant to (i) the acquisition of another business by the Company by merger, purchase of substantially all of the assets or shares, or other reorganization whereby the Company or its shareholders own not less than a majority of the voting power of the surviving or successor business or (ii) the acquisition of technology or other intellectual property by outright purchase.

(6) The issuance of Common Stock upon the exercise, conversion or exchange of Convertible Securities issued in accordance with this paragraph (B).

(C) For the purposes of paragraph (A) above, the following subparagraphs 1 to 3, inclusive, shall also be applicable:

(1) In case at any time the Company shall grant any warrants, rights or options to subscribe for, purchase or otherwise acquire Convertible Securities or Common Stock (excluding Convertible Securities and Common Stock issued in accordance with Section 3(d)(v) (B) above) (collectively "**Options**") or shall fix a record date for the determination of holders entitled to received such Options, whether or not such Options are immediately exercisable, and the price per share for which Common Stock or Convertible Securities are issuable upon the exercise of such Options (determined by dividing (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such Options or, in the case of any such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such Options for Convertible Securities and upon the conversion or exchange of such Convertible Securities, by (y) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or, in

the case of Options for Convertible Securities, upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options as set forth in the instrument relating thereto assuming the satisfaction of any conditions to the exercisability, convertibility or exchangeability) shall be less than the applicable Conversion Price for any series of Preferred Stock in effect immediately prior to the time of the granting of such Options, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall (as of the date of granting of such Options) be deemed to be outstanding and to have been issued for such price per share.

(2) In case at any time the Company shall issue or sell any Convertible Securities (excluding Convertible Securities and Common Stock issued in accordance with Section 3(d)(v)(B) above), whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such exercise, conversion or exchange (determined by dividing (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange thereof, by (y) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of all such Convertible Securities as set forth in the instrument relating thereto assuming the satisfaction of any conditions to the exercisability, convertibility or exchangeability) shall be less than the Conversion Price in effect for any series of Preferred Stock immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon exercise, conversion or exchange of such Convertible Securities shall (as of the date of the issue or sale of such Convertible Securities) be deemed to be outstanding and to have been issued for such price per share, provided that if any such issue or sale of such Convertible Securities is made upon exercise of any rights to subscribe for or to purchase or any option to purchase any such Convertible Securities for which adjustments of the conversion price have been or are to be made pursuant to other provisions of this paragraph (C), no further adjustment of the applicable Conversion Price shall be made by reason of such issue or sale.

(3) In case at any time any shares of Common Stock, Convertible Securities or Options shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Company therefor. In case any shares of Common Stock, Convertible Securities or Options shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors. In case any shares of Common Stock, Convertible Securities or Options shall be issued in connection with any merger of another entity into the Company, the amount of consideration therefor shall be deemed to be the fair value of the assets of such merged corporation as determined in good faith by the Board of Directors after deducting therefrom all cash and other consideration (if any) paid by the Company in connection with such merger.

(e) No Impairment. The Company will not, by amendment of this Fifth Restated Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in carrying out of all the provision of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Stock against impairment.

(f) Certificate of Adjustments. Upon the occurrence of each adjustment of the Conversion Price for each series of Preferred Stock pursuant to this Section 3, the Company at its expense shall promptly compute such adjustment and furnish to each holder of such series of Preferred Stock a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Stock, furnish to such holder a like certificate setting forth (i) any and all adjustments made to such series of Preferred Stock since the date of the first issuance of such series of Preferred Stock, (ii) the Conversion Price for such series of Preferred Stock at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of such series of Preferred Stock.

(g) Notices of Record Date. In the event that the Company shall propose at any time (i) to declare any dividend or Distribution; (ii) to offer for subscription to the holders of any class or series of its stock any additional shares of stock or other rights; (iii) to effect any reclassification or recapitalization; or (iv) to effect a Liquidation; then, in connection with each such event, the Company shall send to the holders of Preferred Stock at least 20 days' prior written notice of the date on which a record shall be taken for such dividend, Distribution or subscription rights (and specifying the date on which the holders of stock shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in clauses (iii) and (iv) above.

(h) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Fifth Restated Certificate of Incorporation.

(i) Taxes. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 3. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in

which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid .

4. Voting.

(a) Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) Preferred Stock. Each holder of shares of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock held by such holder of Preferred Stock could then be converted. The holders of shares of the Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. The holders of the Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted), shall be disregarded.

(c) Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote, irrespective of the provisions of Section 242(b)(2) of the Delaware General Corporation Law.

(d) Election of Directors. As long as shares of Series A Preferred are outstanding, the holders of the Series A Preferred, voting separately as a single class, shall be entitled to elect two (2) directors (the "**Series A Directors**"). As long as shares of Series B Preferred are outstanding, the holders of the Series B Preferred, voting separately as a single class, shall be entitled to elect two (2) directors (the "**Series B Directors**"). As long as shares of Series C Preferred are outstanding, the holders of the Series C Preferred, voting separately as a single class, shall be entitled to elect one (1) director (the "**Series C Director**"). As long as shares of Common Stock are outstanding, the holders of Common Stock, voting separately as a single class, shall be entitled to elect one (1) director (the "**Common Directors**"). The holders of the Common Stock and the Preferred Stock, voting together as a single class on as-converted basis, shall be entitled to elect all other directors of the Company. Any vacancies on the Board of Directors shall be filled by vote of the holders of the class or series that elected the director whose absence created such vacancy. There shall be no cumulative voting.

5. Amendments and Changes.

(a) Approval by Series A Preferred. Notwithstanding Section 4 above, the Company shall not (by amendment, merger or otherwise), without first obtaining the approval (by vote or written consent as provided by law) of the holders of at least a majority of the Series A Preferred then outstanding, voting together as a single, separate series:

(i) alter, amend or repeal any provision of this Fifth Amended and Restated Certificate of Incorporation or the Company's Bylaws if such alteration, amendment or repeal would adversely affect the rights, preferences, privileges or powers of or restrictions on the Series A Preferred in a manner different than any other series of Preferred Stock; provided, however, that (i) a series of Preferred Stock shall not for purposes of this subsection (b)(i) be deemed to be affected in a manner different than any other series of Preferred Stock because of proportional differences in the amounts of respective issue prices and liquidation preferences that arise out of differences in the original issue price vis-à-vis other series of Preferred Stock;

(ii) grant anti-dilution protection to any other series of Preferred Stock which is more favorable than the anti-dilution protection then provided to the Series A Preferred; or

(iii) increase or decrease the authorized number of shares of Series A Preferred.

(b) Approval by Series B Preferred. Notwithstanding Section 4 above, the Company shall not (either directly or indirectly by amendment, merger or otherwise) without first obtaining the approval (by vote or written consent as provided by law) of the holders of at least fifty-five percent (55%) of the Series B Preferred then outstanding, voting together as a single, separate series:

(i) alter, amend or repeal any provision of this Fifth Amended and Restated Certificate of Incorporation or the Company's Bylaws if such alteration, amendment or repeal would adversely affect the rights, preferences, privileges or powers of or restrictions on the Series B Preferred in a manner different than any other series of Preferred Stock; provided, however, that (i) a series of Preferred Stock shall not for purposes of this subsection (b)(i) be deemed to be affected in a manner different than any other series of Preferred Stock because of proportional differences in the amounts of respective issue prices and liquidation preferences that arise out of differences in the original issue price vis-à-vis other series of Preferred Stock;

(ii) grant anti-dilution protection to any other series of Preferred Stock which is more favorable that the anti-dilution protection then provided to the Series B Preferred; or

(iii) increase or decrease the authorized number of shares of Series B Preferred.

(c) Approval by Series C Preferred. Notwithstanding Section 4 above, the Company shall not (either directly or indirectly by amendment, merger or otherwise) without first obtaining the approval (by vote or written consent as provided by law) of the holders of at least fifty-five percent (55%) of the Series C Preferred then outstanding, including at least two (2) of the Specified Series C Stockholders, voting together as a single, separate series:

(i) alter, amend or repeal any provision of this Fifth Amended and Restated Certificate of Incorporation or the Company's Bylaws if such alteration, amendment or repeal would adversely affect the rights, preferences, privileges or powers of or restrictions on the Series C Preferred in a manner different than any other series of Preferred Stock; provided, however, that (i) a series of Preferred Stock shall not for purposes of this subsection (c)(x) be deemed to be affected in a manner different than any other series of Preferred Stock because of proportional differences in the amounts of respective issue prices and liquidation preferences that arise out of differences in the original issue price vis-à-vis other series of Preferred Stock.

(ii) grant anti-dilution protection to any other series of Preferred Stock which is more favorable that the anti-dilution protection then provided to the Series C Preferred;

(iii) increase or decrease the authorized number of shares of any series of Preferred Stock or Common Stock;

(iv) redeem, purchase or otherwise acquire any share or shares of Preferred Stock or Common Stock (or pay into or set aside funds into a sinking fund for such purpose); provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock at the original cost thereof from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal, provided that such repurchase is approved by the Board of Directors;

(v) declare or pay any dividends (other than dividends payable solely in shares of Common Stock) or Distributions on any shares of Preferred Stock or Common Stock now or hereafter outstanding;

(vi) enter into any transaction or series of related transactions with any director or officer of the Company;

(vii) authorize or issue any additional shares of any new class or series of any capital stock or equity securities of the Company having any rights, preferences or privileges equal to or senior to the Series C Preferred, or authorize or issue any other securities convertible into or exchangeable or exercisable for any capital stock or other equity securities having any rights, preferences or privileges equal to or senior to the Series C Preferred; or

(viii) effect or consent to a Liquidation or consummate any merger or other corporate reorganization that results in a Liquidation.

6. Redemption. The Preferred Stock is not redeemable.

7. Notices. Any notice required by the provisions of this Article FOURTH to be given to the holders of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, if deposited with a nationally recognized overnight courier, or if personally delivered, and addressed to each holder of record at such holder's address appearing on the books of the Company.

FIFTH

The Board of Directors shall have the power to adopt, amend and repeal the bylaws of the Company (except insofar as the bylaws of the Company as adopted by action of the stockholders of the Company shall otherwise provide). Any bylaws made by the directors under the powers conferred hereby may be amended or repealed by the directors or by the stockholders, and the powers conferred in this Article FIFTH shall not abrogate the right of the stockholders to adopt, amend and repeal bylaws.

SIXTH

Election of directors need not be by written ballot unless the bylaws of the Company shall so provide.

SEVENTH

The Company reserves the right to amend the provisions in this Fifth Restated Certificate of Incorporation and in any certificate amendatory hereof in the manner now or hereafter prescribed by law, and all rights conferred on stockholders or others hereunder or thereunder are granted subject to such reservation.

EIGHTH

(a) To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, no director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article EIGHTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended.

(b) The Company may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director, officer, employee or agent of the Company or any predecessor of the Company or serves or served at any other enterprise as a director, officer, employee or agent at the request of the Company or any predecessor to the Company to the same extent as permitted under subsection (a) above.

(c) Neither any amendment nor repeal of this Article EIGHTH, nor the adoption of any provision of the Company's Certificate of Incorporation inconsistent with this Article EIGHTH, shall eliminate or reduce the effect of this Article EIGHTH in respect of any matter occurring or any action or proceeding accruing or arising or that, but for this Article EIGHTH, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

(d) The Company may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

NINTH

Subject to any additional vote required by the Company's Certificate of Incorporation, the number of directors of the Company shall be determined in the manner set forth in the Bylaws of the Company.

TENTH

The Company renounces, to the fullest extent permitted by law, any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Company who is not an employee of the Company or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Company or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Company.

BYLAWS

OF

BIOGENERICS, INC.
(a Delaware corporation)

Adopted as of October 12, 2010

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BYLAWS

OF

BIOGENERICS, INC.
(a Delaware corporation)

Adopted as of October 12, 2010

ARTICLE I.
IDENTIFICATION; OFFICES

Section 1. NAME. The name of the corporation is BioGenerics, Inc. (the "Corporation").

Section 2. PRINCIPAL AND BUSINESS OFFICES. The Corporation may have such principal and other business offices, either within or outside of the state of Delaware, as the Board of Directors may designate or as the Corporation's business may require from time to time.

Section 3. REGISTERED AGENT AND OFFICE. The Corporation's registered agent may be changed from time to time by or under the authority of the Board of Directors. The address of the Corporation's registered agent may change from time to time by or under the authority of the Board of Directors, or the registered agent. The business office of the Corporation's registered agent shall be identical to the registered office. The Corporation's registered office may be but need not be identical with the Corporation's principal office in the state of Delaware. The Corporation's initial registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation's principal office.

ARTICLE II.
STOCKHOLDERS

Section 1. ANNUAL MEETING. An annual meeting of the stockholders shall be held on such date as may be determined by resolution of the Board of Directors. At each annual meeting, the stockholders shall elect directors to hold office for the term provided in Section 1 of Article III of these Bylaws.

Section 2. SPECIAL MEETING. A special meeting of the stockholders may be called by the President of the Corporation, the Board of Directors, or by such other officers or persons as the Board of Directors may designate.

Section 3. PLACE OF STOCKHOLDER MEETINGS. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no such place is designated by the Board of Directors, the place of meeting will be the principal business office of the Corporation or the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but will instead be held solely by means of remote communication as provided under Section 211 of the Delaware General Corporation Law.

Section 4. NOTICE OF MEETINGS. Unless waived as herein provided, whenever stockholders are required or permitted to take any action at a meeting, written notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such written notice shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the records of the Corporation. If electronically transmitted, then notice is deemed given when transmitted and directed to a facsimile number or electronic mail address at which the stockholder has consented to receive notice. An affidavit of the secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

When a meeting is adjourned to reconvene at the same or another place, if any, or by means of remote communications, if any, in accordance with Section 5 of Article II of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 5. QUORUM AND ADJOURNED MEETINGS. Unless otherwise provided by law or the Corporation's Certificate of Incorporation, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders. If a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, such stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of such number of stockholders as may leave less than a quorum. If less than a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, a majority of the shares so represented may adjourn the meeting from time to time, to reconvene at the same or another place, if any, or by means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and notice need not be given of any such adjourned meeting if the time, date, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

Section 6. FIXING OF RECORD DATE.

(a) For the purpose of determining 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 not be more than sixty (60) days nor less than ten (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) For the purpose of determining stockholders entitled to consent to corporate action in writing without a meeting, 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 established by the Board of Directors, and which date shall not be more than ten (10) days after the date on which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal office, or an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders' consent to corporate action in writing without a meeting shall be the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) For the purpose of determining 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 to any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix the record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining the stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7. VOTING LIST. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose

germane to the meeting, for a period of at least ten (10) days prior to the meeting, (i) by 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 (ii) 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 the stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, such list shall be the only evidence as to the identity of stockholders entitled to examine the list of stockholders required by this Section 7 or to vote in person or by proxy at any meeting of the stockholders. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list.

Section 8. VOTING. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by each stockholder. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Directors shall be elected by plurality of the votes of the shares present in person or represented by a proxy at the meeting entitled to vote on the election of directors.

Section 9. PROXIES. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may remain irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Section 10. RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, any transaction or contract or act of the Corporation or of the directors or the officers of the Corporation may be ratified by the affirmative vote of the holders of the number of shares which would have been necessary to approve such transaction, contract or act at a meeting of stockholders, or by the written consent of stockholders in lieu of a meeting.

Section 11. INFORMAL ACTION OF STOCKHOLDERS. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be delivered to the Corporation by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take

such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate with any governmental body, if such action had been voted on by stockholders at a meeting thereof, the certificate filed shall state, in lieu of any statement required by law concerning any vote of stockholders, that consent had been given in accordance with the provisions of Section 228 of the Delaware General Corporation Law, and that notice has been given as provided in such section.

A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and the date on which such stockholder or proxy holder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its principal place of business or to an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 12. ORGANIZATION. Such person as the Board of Directors may designate or, in the absence of such a designation, the president of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of such meeting. In the absence of the secretary of the Corporation, the chairman of the meeting shall appoint a person to serve as secretary at the meeting.

ARTICLE III.
DIRECTORS

Section 1. NUMBER AND TENURE OF DIRECTORS. The number of directors of the Corporation shall be determined from time to time by the Board. Each director shall hold office until such director’s successor is elected and qualified or until such director’s earlier resignation or removal. Any director may resign at any time upon written notice to the Corporation.

Section 2. ELECTION OF DIRECTORS. Except as otherwise provided in this Bylaws, directors shall be elected at the annual meeting of stockholders. Directors need not be residents of the State of Delaware. Elections of directors need not be by written ballot.

Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or at least one-third of the number of directors constituting the whole board. The person or persons authorized to call special meetings of the Board of Directors may fix any time, date or place, either within or without the State of Delaware, for holding any special meeting of the Board of Directors called by them.

Section 4. NOTICE OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Notice of any special meeting of the Board of Directors shall be given, orally or in writing, by the person or persons calling the meeting to all directors at least one (1) day previous thereto. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with first-class postage thereon prepaid. If sent by any other means (including facsimile, courier, electronic mail or express mail, etc.), such notice shall be deemed to be delivered when actually delivered to the home or business address, electronic address or facsimile number of the director.

Section 5. QUORUM. A majority of the total number of directors as provided in Section 1 of Article III of these Bylaws shall constitute a quorum for the transaction of business. If less than a majority of the directors are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. VOTING. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the Delaware General Corporation Law or the Certificate of Incorporation requires a vote of a greater number.

Section 7. VACANCIES. Vacancies in the Board of Directors may be filled by a majority vote of the Board of Directors or by an election either at an annual meeting or at a special meeting of the stockholders called for that purpose. Any directors elected by the stockholders to fill a vacancy shall hold office for the balance of the term for which he or she was elected. A director appointed by the Board of Directors to fill a vacancy shall serve until the next meeting of stockholders at which directors are elected.

Section 8. REMOVAL OF DIRECTORS. A director, or the entire Board of Directors, may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that if cumulative voting obtains and less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against such director’s removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

Section 9. WRITTEN ACTION BY DIRECTORS. 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, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Without limiting the manner by which consent may be given, members of the Board of Directors may consent by delivery of an electronic transmission when such transmission is directed to a facsimile number or electronic mail address at which the Corporation has consented to receive such electronic transmissions, and copies of the electronic 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 10. PARTICIPATION BY CONFERENCE TELEPHONE. Members of the Board of Directors, or any committee designated by such board, may participate in a meeting of the Board of Directors, or committee thereof, by means of conference telephone or similar communications equipment as long as all persons participating in the meeting can speak with and hear each other, and participation by a director pursuant to this Section 3.10 shall constitute presence in person at such meeting.

Section 11. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV.
WAIVER OF NOTICE

Section 1. WRITTEN WAIVER OF NOTICE. A written waiver of any required notice, signed by or electronically transmitted by the person entitled to notice, whether before or after the date stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

Section 2. ATTENDANCE AS WAIVER OF NOTICE. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, and objects, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE V.
COMMITTEES

Section 1. GENERAL PROVISIONS. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified

member at any meeting of the committee. In the absence or disqualification of a member at any meeting of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members 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. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any bylaw of the corporation.

ARTICLE VI.
OFFICERS

Section 1. GENERAL PROVISIONS. The Board of Directors shall elect a President and a Secretary of the Corporation. The Board of Directors may also elect a Chairman of the Board, one or more Vice Chairmen of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such additional officers as the Board of Directors may deem necessary or appropriate from time to time. Any two or more offices may be held by the same person. The officers elected by the Board of Directors shall have such duties as are hereafter described and such additional duties as the Board of Directors may from time to time prescribe.

Section 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices of the Corporation may be created and filled and vacancies in offices may be filled at any time, at a meeting or by the written consent of the Board of Directors. Unless removed pursuant to Section 3 of Article VI of these Bylaws, each officer shall hold office until his successor has been duly elected and qualified, or until his earlier death or resignation. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 3. REMOVAL OF OFFICERS. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person(s) so removed.

Section 4. THE CHIEF EXECUTIVE OFFICER. The Board of Directors shall designate whether the Chairman of the Board, if one shall have been chosen, the President or another individual shall be the Chief Executive Officer of the Corporation. If a Chairman of the Board or another individual has not been chosen, or if a Chairman of the Board has been chosen but not designated Chief Executive Officer, then the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the

Corporation, unless otherwise provided by the Board of Directors. The Chief Executive Officer shall preside at all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

Section 5. THE PRESIDENT. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board or another individual has not been designated Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer. The President shall have concurrent power with the Chief Executive Officer to sign bonds, mortgages, certificates for shares and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of president and such other duties as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 6. THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one is chosen, shall be chosen from among the members of the board. If the Chairman of the Board has not been designated Chief Executive Officer, the Chairman of the Board shall perform such duties as may be assigned to the Chairman of the Board by the Chief Executive Officer or by the Board of Directors.

Section 7. VICE CHAIRMAN OF THE BOARD. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board or another individual has not been designated Chief Executive Officer, the Vice Chairman, or if there be more than one, the Vice Chairmen, in the order determined by the Board of Directors, shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times, the Vice Chairman or Vice Chairmen shall perform such duties and have such powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 8. THE VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Executive Vice President and then the other Vice President or Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 9. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 10. THE ASSISTANT SECRETARY. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 11. THE TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond (which shall be renewed every six (6) years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 12. THE ASSISTANT TREASURER. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 13. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, Assistant Officers and Agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 14. ABSENCE OF OFFICERS. In the absence of any officer of the Corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties, or any of such powers or duties, of any officers or officer to any other officer or to any director.

Section 15. COMPENSATION. The Board of Directors shall have the authority to establish reasonable compensation of all officers for services to the Corporation.

ARTICLE VII.
INDEMNIFICATION

Section 1. RIGHT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person in such proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of Article VII of these Bylaws, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in advance by the Board of Directors.

Section 2. PREPAYMENT OF EXPENSES OF DIRECTORS AND OFFICERS. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

Section 3. CLAIMS BY DIRECTORS AND OFFICERS. If a claim for indemnification or advancement of expenses under this Article VII is not paid in full within thirty days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 4. INDEMNIFICATION OF EMPLOYEES AND AGENTS. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a proceeding initiated by such person if the proceeding was not authorized in advance by the Board of Directors.

Section 5. ADVANCEMENT OF EXPENSES OF EMPLOYEES AND AGENTS. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

Section 6. NON-EXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7. OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, joint venture, trust, organization or other enterprise.

Section 8. INSURANCE. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article VII; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article VII.

Section 9. AMENDMENT OR REPEAL. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE VIII.
CERTIFICATES FOR SHARES

Section 1. CERTIFICATES OF SHARES. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, Chief Executive Officer, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile.

Section 2. SIGNATURES OF FORMER OFFICER, TRANSFER AGENT OR REGISTRAR. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

Section 3. TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of certificate for such shares. Prior to due presentment of a certificate for shares for registration of transfer, the Corporation may treat a registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise have and exercise all of the right and powers of an owner of shares.

Section 4. LOST, DESTROYED OR STOLEN CERTIFICATES. Whenever a certificate representing shares of the Corporation has been lost, destroyed or stolen, the holder thereof may file in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place, and circumstance of such loss, destruction or theft together with a statement of indemnity sufficient in the opinion of the Board of Directors to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate. Thereupon the Board may cause to be issued to such person or such person’s legal representative a new certificate or a duplicate of the certificate alleged to have been lost, destroyed or stolen. In the exercise of its discretion, the Board of Directors may waive the indemnification requirements provided herein.

ARTICLE IX.
DIVIDENDS

Section 1. DECLARATIONS OF DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 2. REQUIREMENTS FOR PAYMENT OF DIVIDENDS. 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 directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve.

ARTICLE X.
GENERAL PROVISIONS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS. The funds of the Corporation may be deposited or invested in such bank account, in such investments or with such other depositaries as determined by the Board of Directors.

Section 5. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words “Corporate Seal, Delaware”. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

ARTICLE XI.
RIGHT OF FIRST REFUSAL

Section 1. RIGHT OF FIRST REFUSAL. No stockholder shall sell, assign, pledge, or in any manner transfer any of the shares of Common Stock of the corporation ("Common Stock") or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer which meets the requirements hereinafter set forth in this bylaw:

(a) If the stockholder receives from anyone a bona fide offer acceptable to the stockholder to purchase any Common Stock held by such stockholder, then the stockholder shall first give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares of Common Stock to be transferred, the price per share and all other terms and conditions of the offer.

(b) For fifteen (15) days following receipt of such notice, the corporation or its assigns shall have the option to purchase all or, with the consent of the stockholder, any lesser part of the Common Stock specified in the notice at the price and upon the terms set forth in such bona fide offer. In the event the Corporation elects to purchase all or, as agreed by the stockholder, a lesser part, of the Common Stock, it shall give written notice to the selling stockholder of its election and settlement for said Common Stock shall be made as provided below in paragraph (c).

(c) In the event the Corporation elects to acquire any of the Common Stock of the selling stockholder as specified in said selling stockholder's notice, the Secretary of the Corporation shall so notify the selling stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the Corporation receives said selling stockholder's notice; provided that if the terms of payment set forth in said selling stockholder's notice were other than cash against delivery, the Corporation shall pay for said Common Stock on the same terms and conditions set forth in said selling stockholder's notice.

(d) In the event the Corporation does not elect to acquire all of the Common Stock specified in the selling stockholder's notice, said selling stockholder may, within the sixty (60) day period following the expiration of the option rights granted to the Corporation, sell elsewhere the Common Stock specified in said selling stockholder's notice which were not acquired by the Corporation, in accordance with the provisions of paragraph (c) of this bylaw, provided that said sale shall not be on terms and conditions more favorable to the purchaser than those contained in the bona fide offer set forth in said selling stockholder's notice. All Common Stock so sold by said selling stockholder shall continue to be subject to the provisions of this bylaw in the same manner as before said transfer.

(e) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this bylaw:

(1) A stockholder's transfer of any or all Common Stock held either during such stockholder's lifetime or on death by will or intestacy to such stockholder's family. "Immediate family" as used herein shall mean spouse, lineal descendent, father, mother, brother, or sister of the stockholder making such transfer.

(2) A stockholder's bona fide pledge or mortgage of any Common Stock with a commercial lending institution, provided that any subsequent transfer of said Common Stock by said institution shall be conducted in the manner set forth in this bylaw.

(3) A stockholder's transfer of any or all of such stockholder's Common Stock to any other stockholder of the Corporation.

(4) A stockholder's transfer of any or all of such stockholder's Common Stock to a person who, at the time of such transfer, is an officer or director of the Corporation.

(5) A corporate stockholder's transfer of any or all of its Common Stock pursuant to and in accordance with the terms of any merger, consolidation, reclassification of Common Stock or capital reorganization of the corporate stockholder, or pursuant to a sale of all or substantially all of the stock or assets of a corporate stockholder.

(6) A corporate stockholder's transfer of any or all of its Common Stock to any or all of its stockholders.

(7) A transfer of any or all of the Common Stock held by a stockholder which is a limited or general partnership to any or all of its partners.

In any such case, the transferee, assignee, or other recipient shall receive and hold such Common Stock subject to the provisions of this bylaw, and there shall be no further transfer of such Common Stock except in accord with this bylaw.

(f) The provisions of this bylaw may be waived with respect to any transfer either by the Corporation, upon duly authorized action of its Board of Directors, or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the Corporation (excluding the votes represented by those shares of Common Stock to be sold by the selling stockholder). This bylaw may be amended or repealed either by a duly authorized action of the Board of Directors or by the stockholders, upon the express written consent of the owners of a majority of the voting power of the corporation.

(g) Any sale or transfer, or purported sale or transfer, of Common Stock shall be null and void unless the terms, conditions, and provisions of this bylaw are strictly observed and followed.

(h) The foregoing right of first refusal shall terminate on either of the following dates, whichever shall first occur:

(1) On September 29, 2020, or

(2) Upon the date Common Stock of the Corporation is first offered to the public pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended. The certificates representing the Common Stock shall bear the following legend so long as the foregoing right of first refusal remains in effect:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION, AS PROVIDED IN THE BYLAWS OF THE CORPORATION."

(i) The provisions of this bylaw shall not apply to any transfer of shares of Preferred Stock of the Corporation or the shares of Common Stock issued upon conversion thereof.

ARTICLE XII.
AMENDMENTS

Section 1. AMENDMENTS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

COHERUS BIOSCIENCES, INC.

THIRD AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

This Third Amended and Restated Investor Rights Agreement (the "**Agreement**") is made as of May 9, 2014, among Coherus BioSciences, Inc., a Delaware corporation (the "**Company**"), and the stockholders listed on **Exhibit A** hereto (individually an "**Investor**" and collectively the "**Investors**").

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series A Preferred Stock, par value $0.0001 per share (the "**Series A Preferred Stock**"), Series B Preferred Stock, par value $0.0001 per share (the "**Series B Preferred Stock**") and/or shares of Common Stock, par value $0.0001 per share (the "**Common Stock**") issued upon conversion thereof and possess registration rights, information rights, rights of first offer and other investor rights pursuant to that certain Second Amended and Restated Investor Rights Agreement dated as of December 26, 2012 by and among the Company and the persons listed on Exhibit A attached thereto (the **"Prior Agreement**").

WHEREAS, any provision of the Prior Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and an Investor or Investors (as defined under the Prior Agreement) holding, in the aggregate, more than fifty-five percent (55%) of the outstanding shares of the Registrable Securities (as defined under the Prior Agreement).

WHEREAS, the undersigned Existing Investors, as holders of more than fifty-five percent (55%) of the outstanding shares of the Registrable Securities desire to terminate the Prior Agreement and to accept the rights created pursuant hereto in lieu of the rights granted to them under the Prior Agreement.

WHEREAS, certain Investors are parties to the Series C Preferred Stock Purchase Agreement of even date herewith, by and among the Company and the parties named therein (the "**Series C Purchase Agreement**"), which provides that as a condition to the closing of the sale of the Series C Preferred Stock, par value $0.0001 per share (the "**Series C Preferred Stock**" and collectively with the Series A Preferred Stock and Series B Preferred Stock, the "**Preferred Stock**") on the date hereof, this Agreement must be executed and delivered by Existing Investors holding more than fifty-five percent (55%) of the outstanding shares of the Registrable Securities and the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Existing Investors hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

1. Restrictions on Transferability; Registration Rights.

1.1 Certain Definitions. As used in this Agreement, the following terms have the following respective meanings:

"Affiliate" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, limited partner, member, managing member, officer, employee or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. For purposes of this definition, the term "control" when used with respect to any Person shall mean the power to direct the management or policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"**Beacon**" means Beacon Bioventures Fund III Limited Partnership, a Delaware limited partnership.

"**Board**" means the board of directors of the Company.

"**Commission**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Convertible Securities**" means any bonds, debentures, notes or other evidences of indebtedness, and any options, warrants, shares (including, but not limited to, shares of Preferred Stock) purchase rights or any other securities convertible into, exercisable for, or exchangeable for Common Stock.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any similar successor federal statute, and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"**Form S-3 Initiating Holders**" means any Holder or Holders who in the aggregate hold not less than thirty percent (30%) of the Registrable Securities then outstanding and who propose to register securities, the aggregate offering price of which, net of underwriting discounts and commissions, exceeds $1,000,000.

"**Holder**" means (i) any Investor holding Registrable Securities and (ii) any person holding Registrable Securities to whom the rights under this Agreement have been transferred in accordance with Section 1.11 hereof.

"**Initiating Holders**" means any Holder or Holders who in the aggregate hold not less than fifty percent (50%) of the Registrable Securities then outstanding and who propose to register securities representing not less than thirty percent (30%) of the Registrable Securities then outstanding, the aggregate offering price of which, net of underwriting discounts and commissions, exceeds $5,000,000.

"**IPO**" means the first public offering of the Common Stock of the Company to the general public that is effected pursuant to a registration statement filed with, and declared effective by, the Commission under the Securities Act.

"**Major Investor**" means each Investor who holds not less than 1,000,000 shares of Registrable Securities (as adjusted for stock splits, combinations, reorganizations and the like).

"**New Securities**" means any shares of capital stock of the Company, including Common Stock and Preferred Stock, whether authorized or not, and rights, options, or warrants to purchase said shares of capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided, however, that the term "New Securities" does not include (i) securities issued pursuant to the Purchase Agreement; (ii) securities issued upon conversion of any Convertible Securities; (iii) securities issued to employees, consultants, officers, and directors of the Company, pursuant to any arrangement approved by the Board; (iv) securities issued pursuant to any rights or agreements, including, without limitation, Convertible Securities, options, and warrants, provided that the Company shall have complied with the right of first offer established by Section 2 below with respect to the initial sale or grant by the Company of such rights or agreements, or provided that such rights or agreements existed prior to the Company's obligations under Section 2; (v) securities issued in connection with any stock split, stock dividend, or recapitalization by the Company; (vi) securities issued as acquisition consideration pursuant to the acquisition of another business entity by the Company by merger, purchase of substantially all of the assets or shares, or other reorganization whereby the Company will own not less than a majority of the voting power of the surviving or successor corporation; (vii) securities issued in connection with obtaining lease financing, whether issued to a lessor, guarantor, or other person, if such issuance is approved by the Board; (viii) securities issued to vendors or customers of the Company, or to other persons in similar commercial arrangements with the Company, if such issuance is approved by the Board; (ix) securities issued in connection with corporate partnering transactions, if such issuance is approved by the Board; and (x) any right, option, or warrant to acquire any security convertible into the securities excluded from the definition of New Securities pursuant to clauses (i) through (ix) above.

"**Other Stockholders**" means persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

"**Pro Rata Portion**" means the ratio that (x) the sum of the number of shares of the Company's Common Stock held by an Investor immediately prior to the issuance of New Securities, assuming full exercise and/or conversion of any outstanding Convertible Securities and all Company securities exercisable and/or convertible into the Company's Common Stock then held by such Investor, bears to (y) the sum of the total number of shares of the Company's Common Stock then outstanding, assuming full exercise and/or conversion of all Convertible Securities and Company securities exercisable and/or convertible into the Company's Common Stock then outstanding.

The terms "**register**", "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"**Registration Expenses**" shall mean all expenses incurred by the Company in complying with Sections 1.3, 1.4, and 1.5 hereof, including, without limitation, all registration, qualification, listing and filing fees, accounting fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company**,** fees and disbursements of one counsel for all of the Holders registering securities in any given registration, blue sky fees and expenses, fees of transfer agents, registrars, and independent public accountants to the Company, and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company), but shall not include Selling Expenses.

"**Registrable Securities**" shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Preferred Stock and (ii) any Common Stock of the Company issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in clause (i) above; provided, however, that shares of Common Stock or other securities shall only be treated as Registrable Securities if and so long as they have not been (A) sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, (B) sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions and restrictive legends with respect thereto are removed upon the consummation of such sale, (C) transferred in a transaction pursuant to which the registration rights are not also assigned in accordance with Section 1.11 hereof, or (D) with respect to each Holder, all such shares held by such Holder become eligible for sale under Rule 144 of the Securities Act (or any similar or successor rule) during any one ninety (90) day period.

"**Restricted Securities**" shall mean the securities of the Company required to bear the legend set forth in Section 1.2 hereof.

"**Rule 144**" means Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Rule 145**" means Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders.

1.2 Restrictions.

(a) Each Holder agrees not to make any disposition of all or any portion of the Registrable Securities unless and until the transferee has agreed in writing for the benefit of the Company to be bound by this Section 1.2 and Section 1.12, provided and to the extent such Sections are then applicable, and (i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement, or (ii) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and, if reasonably requested by the Company, such Holder shall have furnished the Company either with (x) an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration under the Securities Act, (y) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Registrable Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto, or (z) such other evidence reasonably satisfactory to the Company that the proposed dispositions may be effected without registration under the Securities Act. Notwithstanding the foregoing, no such registration statement, opinion of counsel, "no action" letter or other evidence shall be necessary for a transfer by a Holder which is (A) a partnership to its partners or former partners in accordance with partnership interests, (B) a limited liability company to its members or former members in accordance with their interest in the limited liability company, (C) a corporation to its shareholders in accordance with their interests in the corporation or to a wholly-owned subsidiary or a parent corporation that owns all of the capital stock of the Holder, (D) in the case of Beacon, to an Affiliate, or (E) to the Holder's family member or trust for the benefit of an individual Holder, provided in all cases enumerated in clauses (A) – (E) that the transferee is subject to the terms of this Section 1.2 and Section 1.12 as if such transferee were an original Holder hereunder. Each Holder consents to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 1.2.

(b) Each certificate representing Registrable Securities shall be stamped or otherwise imprinted with legends substantially in the following forms (in addition to any legend required under applicable state securities laws or the Company's charter documents):

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, TRANSFERRED, OR PLEDGED IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

(c) The Company shall promptly reissue unlegended certificates at the request of any Holder thereof if the Holder shall have obtained an opinion of counsel reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be disposed of without registration, qualification, or legend.

1.3 Requested Registration.

(a) Request for Registration. If the Company shall receive from Initiating Holders a written request that the Company effect any registration, qualification, or compliance, the Company will:

(i) promptly deliver written notice of the proposed registration, qualification, or compliance to all other Holders; and

(ii) as soon as practicable, use its best efforts to effect such registration, qualification, or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws, and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request delivered to the Company within twenty (20) days after delivery of such written notice from the Company;

provided, however, that the Company shall not be obligated to take any action to effect any such registration, qualification, or compliance pursuant to this Section 1.3:

(A) Prior to the earlier of: (i) three (3) years following the date of this Agreement, and (ii) six months following the effective date of the IPO;

(B) After the Company has effected four (4) such registrations pursuant to this Section 1.3, such registrations have been declared or ordered effective, and the securities offered pursuant to such registrations have been sold;

(C) During the period starting with the date sixty (60) days prior to the Company's estimated date of filing of, and ending on a date one hundred and eighty (180) days after the effective date of, a registration initiated by the Company; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective and that the Company's estimate of the date of filing such registration statement is made in good faith;

(D) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(E) If in the good faith judgment of the Board, such registration would be seriously detrimental to the Company and the Board concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and the Company thereafter delivers to the Initiating Holders a certificate, signed by the President or Chief Executive Officer of the Company, stating that in the good faith judgment of the Board it would be detrimental to the Company or its stockholders for a registration statement to be filed in the near future, then the Company's obligation to use its best efforts to register, qualify, or comply under this Section 1.3 shall be deferred for a period not to exceed ninety (90) days from the delivery of the written request from the Initiating Holders; provided, however, that the Company may not utilize this right more than twice in any twelve (12) month period;

(F) If the Initiating Holders do not request that such offering be firmly underwritten by underwriters selected by the Initiating Holders (subject to the consent of the Company, which consent will not be unreasonably withheld);

(G) If the Initiating Holders propose to dispose of shares of Registrable Securities which may be immediately registered on Form S-3 pursuant to a request made under Section 1.4 hereof.

Subject to the foregoing clauses (A) through (G), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders. The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Sections 1.3(c) and Section 1.5(b) hereof, include other securities of the Company with respect to which registration rights have been granted, and may include securities being sold for the account of the Company.

(b) Underwriting. The right of any Holder to registration pursuant to this Section 1.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. A Holder may elect to include in such underwriting all or a part of the Registrable Securities held by such Holder.

(c) Procedures. If the Company shall request inclusion in any registration pursuant to this Section 1.3 of securities being sold for its own account, or if other stockholders (other than the Holders) invoking contractual rights for inclusion in any registration pursuant to this Section 1.3, the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and may condition such offer on their acceptance of the applicable provisions of this Section 1 (including without limitation the allocation provisions below). The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into and perform its obligations under an underwriting agreement in customary form with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders (which managing underwriter shall be reasonably acceptable to the Company). Notwithstanding any other provision of this

Section 1.3, if the managing underwriter advises the Initiating Holders in writing that it has determined in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares to be included in the underwriting or registration shall be allocated , first, to the Holders of Registrable Securities on a pro rata basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders); second, to shares to be registered and sold for the Company's own account; and third, to the stockholders (other than the Holders) invoking contractual rights to have their securities registered, if any, on a pro rata basis. If any person who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person shall be excluded therefrom by written notice delivered by the Company or the managing underwriter. Any Registrable Securities and/or other securities so excluded or withdrawn shall also be withdrawn from registration.

1.4 Registration on Form S-3.

(a) Qualification on Form S-3. After the IPO, the Company shall use its best efforts to qualify for registration on Form S-3 or any comparable or successor form. To that end the Company shall register (whether or not required by law to do so) its Common Stock under the Exchange Act in accordance with the provisions of the Exchange Act following the effective date of the first registration of any securities of the Company on Form S-1 or any comparable or successor form or forms.

(b) Request for Registration on Form S-3. After the Company has qualified for the use of Form S-3 or any comparable successor form, if the Company shall receive from Form S-3 Initiating Holders a written request that the Company effect a registration on Form S-3 the Company will:

(i) promptly deliver written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, use its best efforts to effect such registration, qualification, or compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws, and appropriate compliance with applicable regulations issued under the Securities Act and any other governmental requirements or regulations) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request delivered to the Company within twenty (20) days after delivery of such written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such registration, qualification, or compliance pursuant to this Section 1.4:

(A) If the Company has effected two (2) such registrations pursuant to this Section 1.4 within the twelve (12) months period immediately preceding the date of such request;

(B) During the period starting with the date sixty (60) days prior to the Company's estimated date of filing of, and ending on a date one hundred and eighty (180) days after the effective date of, a registration initiated by the Company; provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective and that the Company's estimate of the date of filing such registration statement is made in good faith;

(C) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(D) If in the good faith judgment of the Board, such registration would be seriously detrimental to the Company and the Board concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and the Company thereafter delivers to the Initiating Holders a certificate, signed by the President or Chief Executive Officer of the Company, stating that in the good faith judgment of the Board it would be detrimental to the Company or its stockholders for a registration statement to be filed in the near future, then the Company's obligation to use its best efforts to register, qualify, or comply under this Section 1.4 shall be deferred for a period not to exceed ninety (90) days from the date of delivery of the written request from the Initiating Holders; provided, however, that the Company may not utilize this right more than twice in any twelve (12) month period.

(c) Underwriting; Procedure. If a registration requested under this Section 1.4 is for an underwritten offering, the provisions of Sections 1.3(b) and 1.3(c) shall apply to such registration (provided that all references therein to "Initiating Holders" shall refer to the Form S-3 Initiating Holders).

1.5 Company Registration.

(a) Notice of Registration. If the Company shall determine to register any of its securities, either for its own account or the account of a security holder or holders other than (A) a registration pursuant to Sections 1.3 or 1.4 hereof, (B) a registration on Form S-8 (or similar successor form) relating solely to employee benefit plans, or (C) a registration on Form S-4 (or a similar successor form) relating solely to a Rule 145 transaction, , the Company will:

(i) promptly deliver to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.5(b) below, and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made by any Holder and delivered to the Company within ten (10) days after the written notice is delivered by the Company. Such written request may include all or a portion of a Holder's Registrable Securities.

(b) Underwriting; Procedures. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.5(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.5 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other stockholders (other than the Holders) invoking contractual rights to distribute their securities through such underwriting) enter into and perform their obligations under an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company. Notwithstanding any other provision of this Section 1.5, if the managing underwriter determines in good faith that marketing factors require a limitation of the number of shares to be underwritten, the number of shares that may be included in the underwriting shall be allocated, first, to the Company for its own account; second, to the Holders on a pro rata basis based on the total number of Registrable Securities held by the Holders; and third, to any stockholder (other than a Holder) invoking contractual rights to have their securities registered, if any, on a pro rata basis. Notwithstanding the foregoing, the number of shares of Registrable Securities held by the Holders included in such registration shall not be reduced below ten percent (10%) of the total amount of securities included in such registration, unless such offering is the IPO, in which case the selling Holders may be excluded entirely if the underwriters make the determination described above, and no other stockholder's securities are included. If the underwriters have not limited the number of shares to be underwritten for the Company's account and the account of the Holders, the Company may include securities for the account of employees, officers, directors and consultants. If any person who has requested inclusion in such registration as provided above disapproves of the terms of the underwriting, such person shall be excluded therefrom by written notice delivered by the Company or the managing underwriter. Any Registrable Securities and/or other securities so excluded or withdrawn shall also be withdrawn from registration.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.5 prior to the effectiveness of such registration, whether or not any Holder has elected to include securities in such registration.

1.6 Registration Procedures. In the case of each registration, qualification, or compliance effected by the Company pursuant to this Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration, qualification, and compliance and as to the completion thereof and, at its expense, the Company will:

(a) Prepare and file with the Commission a registration statement with respect to such securities and use its best efforts to cause such registration statement to become and remain effective for at least ninety (90) days or until the distribution described in the registration statement has been completed, whichever occurs first; provided, however, that (i) such 90-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock or other securities of the Company, and (ii) in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a

continuous or delayed basis, such 90-day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that if Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that if applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which (A) includes any prospectus required by Section 10(a)(3) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (A) and (B) above shall be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement;

(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement, preliminary prospectus, final prospectus, and such other documents as such Holders and underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statements as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement for the period set forth in Sections 1.6(a) above;

(d) Notify each seller of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and prepare and file with the Commission such supplements to or amendments of such prospectus or registration statement as may be necessary so that such prospectus or registration statement, as so amended or supplemented, shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(e) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already subject to service in such jurisdictions and except as may be required by the Securities Act;

(f) Cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(g) Provide a transfer agent and registrar for all Registrable Securities and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) Use its best efforts to furnish on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders participating in the registration of Registrable Securities and (ii) a letter, dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders participating in the registration of Registrable Securities (to the extent the then-applicable standards of professional conduct permit said letter to be addressed to the Holders).

1.7 Information by Holder. The Holder or Holders of Registrable Securities included in any registration shall furnish to the Company such information regarding such Holder or Holders, the Registrable Securities held by them, and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification, or compliance referred to in this Section 1, and the refusal to furnish such information by any Holder or Holders shall relieve the Company of its obligations in this Section 1 with respect to such Holder or Holders.

1.8 Indemnification.

(a) To the extent permitted by law, the Company will indemnify each Holder, each of its officers, directors, employees, agents, partners, legal counsel, and accountants, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification, or compliance has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages, or liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus (preliminary or final), offering circular, or other document (including any related registration statement, free writing prospectus, notification, or the like), or any amendment or supplement thereto, incident to any such registration, qualification, or compliance, or arising out of or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or arising out of or based on any violation by the Company of the Securities Act or any rule or regulation promulgated under the Securities Act or any other federal, state or common law rule or regulation applicable to the Company in connection with any such registration, qualification, or compliance, and the Company will promptly reimburse each such Holder, each of its officers,

directors, employees, agents, partners, legal counsel, and accountants, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing, defending, or settling any such claim, loss, damage, liability, or action, as such expenses are incurred, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission or alleged untrue statement or omission, made in reliance upon and in strict conformity with written information furnished to the Company by such Holder, controlling person, or underwriter and stated to be specifically for use therein. It is agreed that the indemnity agreement contained in this Section 1.8 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) To the extent permitted by law, each Holder will, severally and not jointly, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification, or compliance is being effected, indemnify the Company, each of its directors, officers, partners, legal counsel, and accountants, and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of their officers, directors, and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, against all claims, losses, damages, and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, free writing prospectus, prospectus (preliminary or final), offering circular, or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein, in light of the circumstances in which they were made, or necessary to make the statements therein not misleading, and will promptly reimburse the Company and such Holders, directors, officers, partners, legal counsel, and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, or other document in reliance upon and in strict conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein, provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and provided that that in no event shall any indemnity under this Section 1.8 exceed the net proceeds received by such Holder in such offering.

(c) Each party entitled to indemnification under this Section 1.8 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the

Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 1.8 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any claim, loss, damage, liability, or expense referred to therein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such claim, loss, damage, liability, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other in connection with the statements or omissions that resulted in such claim, loss, damage, liability, or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact related to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this Section 1.8 were based solely upon the number of entities from whom contribution was requested or by any other method of allocation which does not take account of the equitable considerations referred to above. In no event shall any contribution by a Holder under this Section 1.8 exceed the net proceeds received by such Holder in such offering.

(e) The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages, and liabilities referred to above in this Section 1.8 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim, subject to the provisions of Section 1.8(c). No person guilty of fraudulent misrepresentation (within the meaning of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(g) The obligations of the Company and Holders under this Section 1.8 shall survive the completion of any offering of Registrable Securities in a registration statement.

1.9 Expenses of Registration. All Registration Expenses shall be borne by the Company; provided, however, that if the Holders bear the Registration Expenses for any registration proceeding begun pursuant to Section 1.3 and subsequently withdrawn by the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), such registration proceeding shall not be counted as a requested registration pursuant to Section 1.3. Furthermore, in the event that a withdrawal by the Holders is based upon material adverse information relating to the Company that is different from the information known or available (upon request from the Company or otherwise) to the Holders requesting registration at the time of their request for registration under Section 1.3, such registration proceeding shall not be counted as a requested registration pursuant to Section 1.3, and the Holders shall not bear the Registration Expenses for such registration. All Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the Holders of the Registerable Securities included in such registration pro rata on the basis of the number of such shares so registered.

1.10 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Restricted Securities to the public without registration after such time as a public market exists for the Common Stock of the Company, the Company agrees to:

(a) Register its Common Stock under Section 12(g) or 12(b) of the Exchange Act, as soon as practicable, but in any event not later than ninety (90) days after the close of the Company's first fiscal year following the effective date of the first registration statement filed by the Company relating to a public offering other than to employees of the Company under an employee option plan or employee stock purchase plan;

(b) Make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date that the Company becomes subject to the reporting requirements of the Securities Act or the Exchange Act;

(c) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(d) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of any other reporting requirements of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company and other information in the possession of or reasonably obtainable by the Company as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

1.11 Transfer of Registration Rights. The rights to cause the Company to register securities granted to any party hereto under Section 1 may be assigned by a Holder

only to a transferee or assignee of not less than One Hundred Thousand (100,000) shares of Registrable Securities (as appropriately adjusted for stock splits and the like), provided that the Company is given written notice at the time of or within a reasonable time after said assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being assigned, and, provided further, that the assignee of such rights assumes in writing the obligations of such Holder under this Section 1. Notwithstanding the foregoing, no such minimum share assignment requirement shall be necessary for an assignment by a Holder which is (A) a partnership to its partners or retired partners in accordance with partnership interests, (B) a limited liability company to its members or former members in accordance with their interest in the limited liability company, (C) a corporation to its shareholders in accordance with their interests in the corporation, (D) in the case of Beacon, to an Affiliate, (E) to the Holder's family member or trust for the benefit of an individual Holder or (F) an assignment of all of such Holder's Registrable Securities.

1.12 Standoff Agreement. Each Holder agrees in connection with any registration of the Company's securities under the Securities Act on a registration statement on Form S-1 (other than a registration of securities in a Rule 145 transaction or with respect to an employee benefit plan) that, upon request of the underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, pledge or otherwise hypothecate or encumber, grant any option for the purchase of, or otherwise dispose of any Registrable Securities (other than those included in the registration) without the prior written consent of such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days from the effective date of such registration in the case of a registration for the Company's initial public offering) as may be requested by the underwriters in accordance with applicable law. The foregoing provisions of this Section 1.12 shall apply only to the initial public offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement and shall be applicable to the Holders only if all officers, directors, key employees and holders of 2% or more of the Company's capital stock are bound by these terms. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 1.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 1.12 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

1.13 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior approval of the Holders of at least fifty-five percent (55%) of the Series C Preferred Stock then outstanding, together as a separate class, including at least two (2) Specified Series C Investors (as defined in the Purchase Agreement) enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (ii) to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Section 4.11

1.14 Termination of Rights. The rights of any particular Holder to cause the Company to register securities under Sections 1.3, 1.4, and 1.5 shall terminate with respect to such Holder on the five year anniversary of the effective date of the Company's IPO.

2. Right of First Refusal.

2.1 Right of First Refusal.

(a) Right of First Refusal. Subject to the terms and conditions contained in this Section 2.1, the Company hereby grants to each Investor the right of first refusal to purchase such Investor's Pro Rata Portion of any New Securities which the Company may, from time to time, propose to issue and sell.

(b) Notice of Right. In the event the Company proposes to undertake an issuance of New Securities, it shall give each Investor written notice of its intention, describing the type of New Securities and the price and terms upon which the Company proposes to issue the same. Each Investor shall have twenty (20) days from the date of delivery of any such notice to agree to purchase up to such Investor's Pro Rata Portion of such New Securities, for the price and upon the terms specified in the notice, by delivering written notice to the Company and stating therein the quantity of New Securities to be purchased.

(c) Lapse and Reinstatement of Right. The Company shall have sixty (60) days following the twenty (20) day period described in Section 2.1(b) to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within thirty (30) days from the date of said agreement) to sell the New Securities with respect to which the Investors' right of first refusal was not exercised, at a price and upon the same terms specified in the Company's notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said sixty (60) day period (or sold and issued New Securities in accordance with the foregoing within thirty (30) days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Investors in the manner provided above.

2.2 Assignment of Right of First Refusal. The right of first refusal granted hereunder may not be assigned or transferred, except that such right is assignable by each Investor that is an entity to any affiliated entity of such Investor (including without limitation by Beacon to an Affiliate); provided, however, that without the prior written consent of the Company (which consent may be withheld at the Company's sole discretion) an Investor (other than Beacon) may not assign or transfer such right to its beneficial interest holders, such as limited partners, members or any other person having "beneficial ownership" of such Investor, as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Investor.

2.3 Termination of Right of First Refusal. The right of first refusal granted under Section 2.1 of this Agreement shall expire upon, and shall not be applicable to, a Qualified IPO (as defined in the Company's Fifth Restated Certificate of Incorporation, as may be amended from time to time (the "**Restated Certificate**"), or the earlier conversion of all Preferred Stock into Common Stock.

3. Affirmative Covenants of the Company. The Company hereby covenants and agrees, so long as any Investor holds Registrable Securities, as follows:

3.1 Financial Information. The Company will furnish to each Major Investor (except for a Major Investor reasonably deemed by the Company to be a competitor of the Company) the following reports:

(a) As soon as practicable after the end of each fiscal year, and in any event within one hundred eighty (180) days thereafter, consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and certified by independent public accountants of national standing selected by the Company;

(b) As soon as practicable after the end of each of the first three (3) quarters of each fiscal year, and in any event within 45 days after the end of such fiscal quarter, unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such quarterly period, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such quarterly period, prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the corresponding quarterly periods of the previous fiscal year, subject to changes resulting from normal year-end audit adjustments, all in reasonable detail, except such financial statements need not contain the notes required by generally accepted accounting principles;

(c) As soon as practicable after the end of each calendar month, and in any event within 30 days after the end of such calendar month, unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such calendar month, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such calendar month, prepared in accordance with generally accepted accounting principles consistently applied and setting forth in each case in comparative form the figures for the corresponding quarterly periods of the previous fiscal year, subject to changes resulting from normal year-end audit adjustments, all in reasonable detail, except such financial statements need not contain the notes required by generally accepted accounting principles

(d) As soon as practicable, and in any event, no later than thirty (30) days prior to the close of each fiscal year of the Company, an annual operating plan and budget, prepared on a monthly basis, for the next fiscal year.

3.2 Inspection. The Company shall permit each Major Investor (except for a Major Investor reasonably deemed by the Company to be a competitor of the

Company), at such Major Investor's expense, to visit and inspect the Company's properties, to examine its books of account and other records (and make copies and take extracts therefrom), and to discuss the Company's affairs, finances and accounts with its officers and accountants, all at such reasonable times as may be requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information where and to the extent that the Company reasonably and in good faith believes that the withholding such information is necessary: (i) to protect confidential proprietary information, (ii) to preserve attorney-client, work product or similar privilege or (iii) to comply with the terms and conditions of confidentiality agreements with third parties (so long as such confidentiality agreements are entered into in the ordinary course of business consistent with past practice).

3.3 Key Person Life Insurance. The Company shall, if determined advisable by the Board, use its commercially reasonable efforts to maintain a "key person" term life insurance policy from a financially sound and reputable insurer on certain members of the Company's management, which names the Company as sole beneficiary, which may contain customary provisions and exclusions.

3.4 Board Action. Subject to Section 5(b) and 5(c) of Article IV(B) of the Restated Certificate, the Company will not undertake the following actions without prior approval of the Board:

(a) enter into any contract with a value greater than $250,000 or incur any indebtedness of the Company in an amount greater than $250,000;

(b) create or issue any class or series of security not currently authorized by the Restated Certificate;

(c) consummate a Liquidation (as defined in the Restated Certificate); or

(d) declare or pay any dividend on the Preferred Stock or Common Stock of the Company (whether in the form of cash, stock or stock equivalents), other than for the purpose of effectuating a stock split or recapitalization of the Company.

3.5 Director and Officer Insurance. The Company shall, if determined advisable by the Board, use its commercially reasonable efforts to secure and maintain in full force and effect, director and officer liability insurance in an amount determined and approved by the Board.

3.6 Termination of Covenants. The covenants set forth in this Section 3 shall terminate and be of no further force or effect on the earlier to occur of (a) the date on which the Company is required to file reports with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, and (b) the consummation of a Liquidation (as defined in the Restated Certificate).

3.7 Confidentiality. Each Investor agrees to hold in confidence and trust and not to misuse, and to use the same degree of care as such Investor uses to protect its own confidential information for, any information provided pursuant to this Section 3 which the

Company identifies in writing as being proprietary or confidential and such Investor acknowledges that it will not, unless otherwise required by law or the rules of any national securities exchange, association or marketplace, disclose such information without the prior written consent of the Company except such information that (a) was in the public domain prior to the time it was furnished to such Investor, (b) is or becomes (through no willful improper action or inaction by such Investor) generally available to the public, (c) was in its possession or known by such Investor without restriction prior to receipt from the Company, (d) was rightfully disclosed to such Investor by a third party without restriction or (e) was independently developed without any use of the Company's confidential information. Notwithstanding the foregoing, (i) each Investor may disclose such proprietary or confidential information to any officer, director, parent or affiliate of such Investor or legal counsel, accountants or representatives of for such Investor; (ii) each Investor that is a limited partnership or limited liability company, may disclose such proprietary or confidential information to any former partners or members who retained an economic interest in such Investor, current or prospective partner of the partnership or any subsequent partnership under common investment management, limited partner, general partner, member or management company of such Investor (or any employee or representative of any of the foregoing) or legal counsel, accountants or representatives for such Investor

4. Miscellaneous.

4.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware without regard to choice of laws or conflict of laws provisions thereof.

4.2 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided by this Agreement.

4.3 Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Subject to the provisions of Section 4.10 below, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought, unless otherwise provided. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect.

4.4 Notices, Etc. All notices and other communications required or permitted hereunder shall be in writing and shall be (1) mailed by registered or certified mail, postage prepaid, return receipt requested, (2) sent by electronic mail or facsimile or (3) otherwise delivered by hand or by messenger, addressed (a) if to an Investor, at such Investor's address set forth on Exhibit A, or at such other address as such Investor shall have furnished to the Company in writing, or (b) if to any other holder of any Registrable Securities, at such address as such

holder shall have furnished the Company in writing, or, until any such holder so furnishes an address to the Company, then to and at the address of the last holder of such Registrable Securities who has so furnished an address to the Company, or (c) if to the Company, at its address set forth on the signature page of this Agreement addressed to the attention of the Corporate Secretary, or at such other address as the Company shall have furnished to the Investors. Unless specifically stated otherwise, if notice is provided by mail, it shall be deemed to be delivered five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, if notice is delivered by electronic mail or facsimile, it shall be deemed to be delivered when sent during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day, and if notice is delivered by hand or by messenger, it shall be deemed to be delivered upon actual delivery.

4.5 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any Investor upon any breach or default of the Company under this Agreement shall impair any such right, power, or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing or as provided in this Agreement. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

4.6 Dispute Resolution Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and disbursements in addition to any other relief to which such party may be entitled.

4.7 Counterparts. This Agreement may be executed in any number of counterparts and signatures may be delivered electronically or by facsimile (including without limitation transmission by .pdf or other fixed image form), each of which may be executed by less than all parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

4.8 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement and the balance of this Agreement shall be enforceable in accordance with its terms.

4.9 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

4.10 Amendment and Waiver. Any provision of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and an Investor or Investors holding, in the aggregate, more than fifty-five percent (55%) of the outstanding shares of Series C Preferred Stock, including at least two (2) Specified Series C Stockholders; provided however, that in the event that any amendment or waiver (on its face without reference to any outside information not expressly provided for in such amendment or waiver and without reference to the particular characteristics of any Investor (e.g., type and size of equity ownership or purchase price paid for such equity ownership)) adversely affects the obligations and/or rights of a Major Investor in a manner disproportionately different than the other Major Investors, such amendment or waiver shall also require the written consent of the majority of the Major Investors so adversely affected. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Investor and the Company whether or not such party entered into or approved such amendment or waiver. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Investors, or agree to accept alternatives to such performance, without obtaining the consent of any Investor. Notwithstanding anything to the contrary herein, no consent or approval of any Holder shall be required to add persons as parties to this Agreement as Investors or to revise Exhibit A to include such parties (it being understood that the proportionate adjustment in rights that would result from adding new parties shall not be deemed to be amendments which adversely affect the obligations and/or rights of any Major Investor in a manner materially and disproportionately different than any other Major Investor).

4.11 Additional Parties. Persons who become "Investors" after the effective date of this Agreement pursuant to and in accordance with the Series C Purchase Agreement or otherwise (each, an "**Additional Party**"), upon execution and delivery of counterpart signature pages to this Agreement, shall become parties hereto, each such Additional Party thereby agreeing to be bound by and subject to the terms of this Agreement as an Investor hereunder. Each such Additional Party shall thereafter shall be deemed an Investor for all purposes under this Agreement.

4.12 Effect of Amendment or Waiver. The Investors and their successors and assigns acknowledge that by the operation of Section 4.10 hereof Investors holding more than fifty-five percent (55%) of the outstanding shares of Series C Preferred Stock, including at least two (2) Specified Series C Stockholders, acting in conjunction with the Company, will have the right and power to diminish or eliminate any or all rights pursuant to this Agreement.

4.13 Rights of Investors. Each party to this Agreement shall have the absolute right to exercise or refrain from exercising any right or rights that such party may have by reason of this Agreement, including, without limitation, the right to consent to the waiver or modification of any obligation under this Agreement, and such party shall not incur any liability to any other party or other holder of any securities of the Company as a result of exercising or refraining from exercising any such right or rights.

4.14 Aggregation of Stock. All shares of Preferred Stock and Common Stock of the Company held or acquired by affiliated entities or persons shall be aggregated for the purpose of determining the availability of any rights under this Agreement.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President & Chief Executive Officer

Address for Notice:
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BEACON BIOVENTURES FUND III LIMITED PARTNERSHIP

By: Beacon Bioventures Advisors Fund III Limited Partnership, its General Partner

By: Impressa Management LLC, its General PArtner

By: /s/ Paul Mucci
Name: Paul Mucci
Title: President

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CADUCEUS MEDICAL HOLDINGS, LLC

/s/ Mats Wahlström

Name: Mats Wahlström
Title: CEO & Chairman

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COOK PHARMICA LLC

/s/ Tedd M. Green
Name: Tedd M. Green
Title: President

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ROBERT DARIENZO

/s/ Robert Darienzo

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

JOSÉ CORREIA DA SILVA

/s/ José Correia Da Silva

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DFA CONSULTING

By: /s/ Roberto Darienzo
Name: Robert Darienzo
Title: Owner

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EUROLIFE INVESTMENTS CORP.

By: /s/ José Correia da Silva
Name: José Correia da Silva
Title: Attorney

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DOUGLAS H. FARRAR

/s/ Douglas H. Farrar

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BARBARA FINCK

/s/ Barbara Fink

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

STEPHEN C. GLOVER

/s/ Stephen C. Glover

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MARION L. GUYER

/s/ Marion L. Guyer

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

H. BARTON CO-INVEST FUND II, LLC

By: H. Barton Asset Management, LLC
Its: Managing Member

By: /s/ Harris Barton
Title: Managing Member

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

HELIX FOUNDERS' FUND, L.P.

By: HFF GP L.L.C., its General Partner
Its: General Partner

By: /s/ Graham K. Crooke
Name: Graham K. Crooke
Title: Member

Address for Notice:
[Redcated]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

KERRY R. HICKS

/s/ Kerry R. Hicks

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MATTHEW R. HOOPER

/s/ Matthew R. Hooper

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DANIEL CRAIG JENNINGS

/s/ Daniel Craig Jennings

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

KKR BIOSIMILAR L.P.

By: KKR Biosimiliar GP LLC
Its: General Partner

By: /s/ Ali J. Satvat
Name: Ali J. Satvat
Title: Vice President

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

KMG CAPITAL PARTNERS, LLC

/s/ Mats Wahlström
By: Mats Wahlström
Title: CEO & Chairman

Address:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LANFEAR CAPITAL ADVISORS, LLC

/s/ Dennis M. Lanfear

By: Dennis M. Lanfear
Title:

Address:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DENNIS M. LANFEAR, AS TRUSTEE OF THE LANFEAR REVOCABLE TRUST, DATED JANUARY 27, 2004, AS RESTATED

/s/ Dennis M. Lanfear

By: Dennis M. Lanfear
Title: Trustee

Address:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DENNIS M. LANFEAR

/s/ Dennis M. Lanfear

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LEONARD CAPITAL, LLC

/s/ Mats Wahlström
Name: Mats Wahlström
Title: CEO & Chairman

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LILLY VENTURES FUND I, LLC

/s/ S. Edward Torres
Name: S. Edward Torres
Title: Managing Director

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MX II ASSOCIATES, LLC

/s/ August J. Troendle
Name: August J. Troendle
Title: Manager

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

MEDPACE INVESTORS, LLC

/s/ August J. Troendle
Name: August J. Troendle
Title: Manager

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AUGUST J. TROENDLE

/s/ August J. Troendle

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GEORGE G. MONTGOMERY

/s/ George G. Montgomery

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

NTPR VENTURES LP

By: /s/ Pedro Vergene-Marini, M.D.
Name: Pedro Vergene-Marini, M.D.
Title: Managing Partner

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

REGŐS AG, BROSSWALDENGASSE 12,
6900 BREGENZ, AUSTRIA – MANAGING DIRECTOR
DR. NIKOLAUS F. RETSCHLER

By: /s/ Nikolaus F. Rentschler
Name: Nikolaus F. Rentschler
Title: Managing Director

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CHRISTOS RICHARDS

/s/ Christos Richards

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ROCK SPRINGS CAPITAL MASTER FUND LP

By: /s/ Jeffrey Annecchino
Name: Jeffrey Annecchino
Title: Authorized Signatory

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SOFINNOVA VENTURE PARTNERS VII, L.P.

By: Sofinnova Management VII, L.L.C.
Its General Partner

/s/ James I. Healy

Name: James I. Healy
Title: Managing Member

Address:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SURAZAL LIMITED PARTNERSHIP

/s/ Karen Lazarus
Name: Karen Lazarus
Title: President

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

THE ALAN C. & AGNÈS B. MENDELSON FAMILY TRUST

/s/ Alan C. Mendelson
Name: Alan C. Mendelson
Title: Trustee

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

VENROCK ASSOCIATES VI, L.P.

By: Venrock Management VI, LLC
Its: General Partner

VENROCK PARTNERS VI, L.P.

By: Venrock Management VI, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Title: Authorized Signatory

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

VENROCK HEALTHCARE CAPITAL PARTNERS L.P.

By: VHCP Management, LLC
Its: General Partner

VHCP CO-INVESTMENT HOLDINGS, LLC

By: VHCP Management, LLC
Its: General Partner

By: /s/ David L. Stepp
Name: David L. Stepp
Title: Authorized Signatory

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

VIVO VENTURES FUND V, L.P.

By: Vivo Ventures V, LLC
Its: General Partner

By: /s/ Edgar Engleman
Name: Edgar Engleman
Title: Managing Member

Address for Notice:
[Redacted]

VIVO VENTURES V AFFILIATES FUND, L.P.

By: VHCP Management, LLC
Its: General Partner

By: /s/ Edgar Engleman
Name: Edgar Engleman
Title: Managing Member

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

VP COMPANY INVESTMENTS 2008, LLC

By: /s/ Alan C. Mendelson
Name: Alan C. Mendelson
Title: Partner

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

JOHN T. WYNNE

/s/ John T. Wynne

Address for Notice:
[Redacted]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LOIS A. YAMASHITA

/s/ Lois A. Yamashita

Address for Notice:
[Redacted]

EXHIBIT A

SCHEDULE OF INVESTORS

Asset Management Partners 2004 L.P.
David M. Brand
Laura I. Bushnell, Esq.
Stuart E. Builder, Ph.D.
Caduceus Medical Holdings, LLC
Kelly Close
Cook Pharmica LLC
DFA Consulting
Daiichi Sankyo Company, Limited
Roberto Darienzo
José Correia Da Silva
Eric Easom
Eurolife Investments Corp.
Douglas H. Farrar
Barbara Finck
Martin I. Freed
Stephen C. Glover
Marion L. Guyer
Helix Founders' Fund, L.P.
Alan C. Herman Kerry R. Hicks
Matthew R. Hooper
Daniel Craig Jennings
KMG Capital Partners, LLC
Howard W. Lanfear III and Karen A. Lanfear
Lanfear Capital Advisors, LLC
Dennis M. Lanfear
Legacy BioDesign LLC
Leonard Capital, LLC
Lilly Ventures Fund I, LLC
Mantzoros Consulting LLC
Mendelson Family Trust
MX II Associates, LLC
Medpace, Inc.
George G. Montgomery
NTPR Ventures LP
Oasis Investing Limited
Olsen International Limited
Christos Richards
Lowell E. Sears
Sears Family Trust DTD 3/11/91
Eric S. Sharps

Skyline Venture Partners VII, L.P.
Sofinnova Venture Partners VII, L.P.
Surazal Limited Partnership
Marcelo Turrin
Debra Thoma Vallner
Venrock Associates VI, L.P.
Venrock Partners VI, L.P.
Vivo Ventures Fund V, L.P.
Vivo Ventures V Affiliates Fund, L.P.
VP Company Investments 2008 LLC
John T. Wynne
Lois A. Yamashita
KKR Biosimilar L.P.
Venrock Healthcare Capital Partners, L.P.
VHCP Co-Investment Holdings, LLC
Beacon Bioventures Fund III Limited Partnership
Rock Springs Capital Master Fund LP
H. Barton Co-Invest Fund II, LLC
Regös AG
RA Capital Healthcare Fund, LP

COHERUS BIOSCIENCES, INC.

THIRD AMENDED AND RESTATED INVESTOR RIGHTS AGREEMENT

May 9, 2014

Exhibit 10.1

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

LICENSE AGREEMENT

by and between

BIOGENERICS, INC.

and

DAIICHI SANKYO COMPANY, LIMITED

dated

January 23rd, 2012

TABLE OF CONTENTS

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the **"Agreement"**) is made and entered into as of January 23rd, 2012 (the **"Effective Date"**) between **BIOGENERICS, INC.**, a Delaware corporation with a principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065, United States of America ("BioGenerics"), and **DAIICHI SANKYO COMPANY, LIMITED**, a Japanese corporation with a principal place of business at 3-5-1 Nihonbashi-honcho, Chuo-ku, Tokyo, Japan 103-8426 (**"Licensee"**). BioGenerics and Licensee are sometimes referred to herein individually as a **"Party"** and collectively as the **"Parties"**.

RECITALS

WHEREAS, BioGenerics is a global biotechnology company that conducts research, development, manufacturing and commercialization, and is developing various biosimilar products for the potential treatment of cancer, rheumatoid arthritis, and other diseases and conditions;

WHEREAS, Licensee has existing development and commercialization capabilities in the Territory (as defined below);

WHEREAS, BioGenerics wishes to use data Developed by Licensee in the Territory for the purpose of supporting a regulatory approval application with the U.S. Food and Drug Administration;

WHEREAS, BioGenerics wishes to partner with Licensee for the development and commercialization of the Products (as defined below) in the Territory in accordance with the terms and conditions hereof; and

WHEREAS, Licensee wishes to partner with BioGenerics with respect to the development and commercialization of the Products in the Territory in accordance with the terms and conditions hereof.

AGREEMENT

Now, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

1.1 "AAA" has the meaning set forth in **Section 14.3(b) (Arbitration)**.

1.2 "Additional Supply Period" has the meaning set forth in **Exhibit 12.3(C) (Licensee Opt-Out Rights)**.

1.3 "Affiliate" means a corporation, partnership, trust or other entity that directly, or indirectly through one or more intermediates, controls, is controlled by or is under common control with a specified Party but only for so long as such relationship exists. For such purposes, "control," "controlled by" and "under common control with" shall mean the possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting equity, voting member or partnership interests, control of a majority of the board of directors or other similar body, by contract or otherwise. In the case of a corporation, the direct or indirect ownership of fifty percent (50%) or more of its outstanding voting shares or the ability otherwise to elect a majority of the board of directors or other managing authority of the entity shall in any event be presumptively deemed to confer control, it being understood that the direct or indirect ownership of a lesser percentage of such shares shall not necessarily preclude the existence of control. Anything to the contrary in this paragraph notwithstanding, **[***]** and any corporation, partnership, trust or other entity controlled directly or indirectly by **[***]**, shall not be deemed an Affiliate of Licensee unless Licensee provides written notice to BioGenerics of its desire to include **[***]** as an Affiliate of Licensee and **[***]** agrees in writing to be bound by the terms and conditions of this Agreement. Notwithstanding the preceding provisions, once an entity ceases to be an Affiliate of Licensee, then such entity shall, without any further action, cease to have any rights, including license and sublicense rights, under this Agreement that it has by reason of being an Affiliate and any and all BioGenerics Know-How (excluding BioGenerics Generic Know-How) or Confidential Information of BioGenerics transferred to such entity while it was an Affiliate under this Agreement shall be returned to Licensee within thirty (30) days of the time such entity ceases to be an Affiliate.

1.4 "Applicable Laws" means all applicable laws, rules, and regulations, including without limitation any rules, regulations, guidelines or other requirements of the Regulatory Authorities or other governmental authorities, that may be in effect from time to time in any relevant legal jurisdiction.

1.5 "BioGenerics Generic Know-How" means BioGenerics Know-How that (i) is not patentable, (ii) is not a trade secret, and (iii) includes only that portion of Information comprising practices, procedures, skill, or experience that is of a general nature not specific to any particular Product or Option Product.

1.6 "BioGenerics Indemnitees" has the meaning set forth in **Section 10.1 (BioGenerics' Right to Indemnification)**.

1.7 "BioGenerics Inventions" has the meaning set forth in **Section 8.3(c) (BioGenerics Inventions)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.8 "BioGenerics Know-How" means all Information that is (a) Controlled by BioGenerics as of the Effective Date or during the Term that is not publicly known, even though parts thereof may be known, and (b) useful or necessary to (i) Develop and/or Commercialize Products in the Field in the Territory and/or (ii) Manufacture Products in the Field in the Territory . "BioGenerics Know-How" does not include BioGenerics Patent Rights.

1.9 "BioGenerics Patent Rights" means any Patent and/or Patent Application that (a) is Controlled by BioGenerics as of the Effective Date or during the Term and (b) claims a product, method, apparatus, material, manufacturing process, or other technology necessary or useful to (i) Develop and/or Commercialize Products in the Field in the Territory and/or (ii) Manufacture Products in the Field in the Territory. "BioGenerics Patent Rights" includes, but is not limited to, any of BioGenerics' interest in any Patents and Patent Applications covering Inventions. "BioGenerics Patent Rights" as of the Effective Date shall be set forth in **Exhibit 1.9 (BioGenerics Patent Rights)** which shall be updated from time to time upon approval by the JSC.

1.10 "BioGenerics Trademarks" means the trademarks set forth in **Exhibit 1.10 (BioGenerics Trademarks)**, which may be updated by BioGenerics from time to time during the Term.

1.11 "Business Day" means a day other than Saturday, Sunday or any day on which commercial banks located in the State of New York, U.S.A., or Japan are authorized or obligated by Applicable Laws to close.

1.12 "Calendar Quarter" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30, and December 31; *provided*, *however*, that (a) the first Calendar Quarter of the Term will extend from the Effective Date to the end of the first complete Calendar Quarter thereafter and (b) the last Calendar Quarter of the Term will end upon the expiration or termination of this Agreement.

1.13 "Calendar Year" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.14 "CDA" has the meaning set forth in Section **11.1 (Confidentiality; Exceptions)**.

1.15 "Chairperson" has the meaning set forth in **Section 3.1(b) (Membership; Meetings)**.

1.16 "Clinical Trials" means any and all human clinical trial of a compound, including without limitation Phase 1 Clinical Trials, Phase 2 Clinical Trials, Phase 3 Clinical Trials, Phase 4 Clinical Trials, bioequivalence trials, and/or variations of such trials (for example, phase 2/3 studies).

1.17 "Combined Royalty Rate" has the meaning set forth in **Exhibit 7.1(C) (Royalties on Net Sales)**.

1.18 "Commercially Reasonable Efforts" means the carrying out of obligations or tasks consistent with the reasonable practices of the biopharmaceutical industry for the development or marketing of a biopharmaceutical product having similar market potential or profit potential in the Territory as the applicable Product, based on conditions then prevailing and taking into consideration issues of safety, efficacy, product profile, the competitiveness of the marketplace in the Territory, the regulatory structure involved and other relevant commercial factors. Commercially Reasonable Efforts requires that the Party, at a minimum: (a) determine the general industry practices in the Territory with respect to the applicable activities; (b) reasonably promptly assign responsibility for such obligations to specific employee(s) who are held accountable for progress and monitor such progress on an on-going basis; (c) set and consistently seek to achieve specific and meaningful objectives for carrying out such obligations; and (d) make and implement decisions and allocate resources designed to advance progress with respect to such objectives.

1.19 "Commercialization" or **"Commercialize"** means, with respect to a Product, any and all activities directed to the marketing, advertising, promotion, offering for sale, selling, distribution, and post market surveillance (including without limitation Clinical Trials commenced following Regulatory Approval for the purpose of marketing the Product and not conducted as a condition of obtaining Regulatory Approval), importing, exporting (but not exporting to outside the Territory) such Product for sale, and interacting with Regulatory Authorities regarding the foregoing.

1.20 "Commercialization Plan(s)" means, for each Product, the plan for Commercialization of such Product in the Field in the Territory and the activities to be conducted by Licensee relating thereto, including without limitation the long-term strategic plan, which includes the activities to be conducted prior to First Commercial Sale, planning for launch of such Product, and activities to be conducted after launch of such Product, as well as detailed near-term plans], for example detailed plans for sales and marketing after launch of such Product.

1.21 "Competitor" has the meaning set forth in **Section 2.2 (Sublicense Rights)**.

1.22 "Confidential Information" has the meaning set forth in **Section 11.1 (Confidentiality; Exceptions)**.

1.23 "Control" means, with respect to any item of Information, Patent, Patent Application, or other intellectual property right, the right to grant a license or sublicense with respect thereto as provided for in this Agreement without violating the terms of any agreement or other arrangement with, or any legal rights of, or without requiring the consent of, or payments to, any Third Party.

1.24 "Damages" has the meaning set forth in **Section 10.1 (BioGenerics' Right to Indemnification)**.

1.25 "Develop" or **"Development"** means all pre-clinical, clinical, and regulatory activities relating to obtaining or maintaining Regulatory Approval of a Product, excluding Process Development and Manufacturing. Development includes, for example, non-clinical studies, including without limitation non-human animal testing and toxicology studies, Clinical Trials, regulatory affairs activities, and the equivalent in the Territory of U.S. post-approval commitment studies and risk evaluation and mitigation strategies (**"REMS"**) programs.

1.26 "Development Plan" means, for each Product, the plan for Licensee's conduct of Development activities with respect to such Product, and the activities to be carried out by each Party relating thereto.

1.27 "Disputes" has the meaning set forth in **Section 14.1** (**Exclusive Dispute Resolution Mechanism).**

1.28 "Dollar" means a U.S. dollar, and **"$"** shall be interpreted accordingly.

1.29 "Enforcement Action" has the meaning set forth in **Section 8.7(b) (Enforcement Actions Against Third Parties)**.

1.30 "Field" means the treatment of human diseases and conditions.

1.31 "First Commercial Sale" means, with respect to each Product, the first sale of such Product by a Party or its Affiliates or Sublicensees to a Third Party end user (other than a Sublicensee) in a bona fide arms length transaction for which payment has been received in any country in the Territory after all applicable required Regulatory Approvals have been granted by the applicable Regulatory Authority in such country.

1.32 "Formulated Bulk" means bulk purified Product which has not been filled and finished.

1.33 "GAAP" means generally accepted accounting principles, consistently applied and employed by Licensee or its Affiliates or Sublicensees in the applicable country (excluding the Option Territory as to sublicensees) in the Territory.

1.34 "Global Brand Trademark" has the meaning set forth in **Section 6.3(b) (Global Brand Trademark)**.

1.35 "Global Database" has the meaning set forth in **Section 4.12(a) (BioGenerics Global Clinical Database)**.

1.36 "Grant-Back IP" means any **[***]**, or other **[***]** covering **[***]**, derived or conceived **[***]** by **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.37 "Indemnification Claim" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.38 "Indemnitee" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.39 "Indemnitor" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.40 "Information" means ideas, inventions, discoveries, concepts, formulas, practices, procedures, processes, methods, knowledge, know-how, trade secrets, technology, designs, drawings, computer programs, skill, experience, documents, results, clinical and regulatory strategies, test data, including without limitation pharmacological, toxicological and clinical and non-clinical data, analytical and quality control data, manufacturing data and descriptions, Patent and legal data, market data, financial data or descriptions, assay protocols, chemical formulas, sequence listings, specifications, and the like, in written, electronic or other form, now known or hereafter developed, whether or not patentable.

1.41 "Inventions" means any and all inventions **[***]** by or on behalf of either Party, its Affiliates or Sublicensees in the course of activities performed under or contemplated by this Agreement.

1.42 "Joint Commercialization Committee" or "JCC" has the meaning set forth in **Section 3.4 (Joint Commercialization Committee)**.

1.43 "Joint Development Committee" or **"JDC"** has the meaning set forth in **Section 3.2 (Joint Development Committee)**.

1.44 "Joint Inventions" has the meaning set forth in **Section 8.3(b) (Joint Inventions)**.

1.45 "Joint Patent Rights" has the meaning set forth in **Section 8.5 (Joint Patent Filings)**.

1.46 "Joint Process and Manufacturing Committee" or **"JPMC"** has the meaning set forth in **Section 3.3 (Joint Process and Manufacturing Committee)**.

1.47 "Joint Steering Committee" or **"JSC"** has the meaning set forth in **Section 3.1(a) (General)**.

1.48 "Licensee Indemnitees" has the meaning set forth in **Section 10.2 (Licensee's Right to Indemnification)**.

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1.49 "Licensee Know-How" means all Information that is (a) Controlled by Licensee as of the Effective Date or during the Term that is not publicly known, even though parts thereof may be known, and (b) useful or necessary to develop, make, use, sell, offer for sale, import or export Products. "Licensee Know-How" does not include Licensee Patent Rights.

1.50 "Licensee Patent Rights" means any Patent and/or Patent Application that is (a) Controlled by Licensee as of the Effective Date or during the Term and (b) claims a product, method, apparatus, material, manufacturing process, or other technology necessary or useful to develop, make, use, sell, offer for sale, import or export the Products. "Licensee Patent Rights" includes, but is not limited to, any of Licensee's interest in any Patents and Patent Applications covering Inventions.

1.51 "Licensee Trademarks" means any trademark, other than a Product Trademark, that is (a) Controlled by Licensee and (b) used in the Commercialization of Products.

1.52 "Manufacture" or **"Manufacturing"** means all manufacturing activities, excluding Process Development, undertaken with respect to Products in support of clinical and commercial supply of Product, as applicable, including without limitation manufacture of Formulated Bulk, fill and finish operations, sterilization, lyophilization, packaging, labeling, quality control, quality assurance, and release.

1.53 "Manufacturing and Supply Agreements" has the meaning set forth in **Section 5.1(a) (Manufacturing and Supply Agreements)**.

1.54 "Manufacturing Cost" means the **[***]** of Manufacturing, including without limitation the cost of **[***]**, and **[***]** costs incurred in **[***]**.

1.55 "Manufacturing Option" has the meaning set forth in **Section 5.2 (Licensee Manufacturing Option)**.

1.56 "Net Sales" means the actual gross amount invoiced on sales of each Product in the Territory by a Party and its Affiliates and permitted sublicensees to Third Party end users in bona fide arms length transactions, less the following deductions allowed and taken by Third Parties and not otherwise recovered by or reimbursed to such Party and its Affiliates and permitted sublicensees: (a) freight, insurance and other transportation charges to the extent added to the sales price and set forth separately as such on the total amount invoiced; (b) any sales, use, value-added, excise taxes and/or duties or allowances on the selling price of the Product which fall due and are paid as a consequence of such sale; (c) chargebacks, trade, quantity and cash discounts and rebates actually allowed and taken to the extent customary in the trade, including

without limitation governmental rebates; and (d) allowances or credits, including without limitation allowances or credits to customers on account of rejection, defects or returns of the such Products or because of a retroactive price reduction, and such other deductions actually taken by customers that are customary in the trade. Net Sales shall not include a sale or transfer of Products to an Affiliate or sublicensee or if done for clinical, regulatory or governmental purposes where no consideration is received, but the resale by such Affiliate or sublicensee shall be included in Net Sales of such Product.

1.57 "Opt-out Date" has the meaning set forth in **Exhibit 12.3(B) (Opt-Out During Commercialization**).

1.58 "Opt-out Window" has the meaning set forth in **Exhibit 12.3(A) (Opt-Out Prior to Commercialization**).

1.59 "Opting In Party" has the meaning set forth in **Section 8.4(b) (Opt-In Rights)**.

1.60 "Opting Out Party" has the meaning set forth in **Section 8.4(b) (Opt-In Rights)**.

1.61 "Option Product" means any of the BioGenerics products set forth in **Exhibit 1.61 (Option Products)**.

1.62 "Option Territory" means the country(ies) set forth in **Exhibit 1.62 (Option Territory)**.

1.63 "Option Term" has the meaning set forth in **Section 2.3 (Option to Obtain a License in Option Territory)**.

1.64 "Option Territory Option" has the meaning set forth in **Section 2.3 (Option to Obtain a License in Option Territory)**.

1.65 "Patent" means (a) letters patent (or other equivalent legal instrument), including without limitation utility and design patents, and including without limitation any extension, substitution, registration, confirmation, reissue, re-examination or renewal thereof, and (b) all foreign or international equivalents of any of the foregoing in any country.

1.66 "Patent Application" means (a) an application for letters patent **[***]**, including without limitation a reissue application, a re-examination application, a continuation application, a continued prosecution application, a continuation-in-part application, a divisional application or any equivalent thereof **[***]** and (b) all foreign or international equivalents of any of the foregoing in any country.

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1.67 "Phase 1 Clinical Trial" means a human clinical trial of a compound, the principal purpose of which is a preliminary determination of safety in healthy individuals or patients, as described in 21 C.F.R. 312.21(a), or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.68 "Phase 2 Clinical Trial" means a human clinical trial of a compound in any country that would satisfy the requirements of 21 C.F.R. 312.21(b) and is intended to explore a variety of doses, dose response, and duration of effect, and to generate initial evidence of clinical safety and activity in a target patient population, or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.69 "Phase 3 Clinical Trial" means a human clinical trial of a compound performed after evidence suggesting effectiveness of the compound has been obtained pursuant to one (1) or more Phase 2 Clinical Trial(s), conducted for inclusion in: (a) that portion of an FDA submission and approval process which provides for the continued trials of a product on sufficient numbers of human patients to confirm with statistical significance the safety and efficacy of a product sufficient to support a Regulatory Approval for the proposed indication, as more fully described in 21 C.F.R. 312.21(c), or (b) equivalent Regulatory Filings with similar requirements in a country other than the United States; or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.70 "Phase 4 Clinical Trial" means a human clinical trial of a Product commenced after receipt of Regulatory Approval of the Product not for the purpose of satisfying a condition imposed by a Regulatory Authority to obtain Regulatory Approval, but only to support the marketing of such Product.

1.71 "Process Development" means all process development activities undertaken with respect to Products, including without limitation activities related to development and optimization of cell lines, expression systems, reagents, upstream process, downstream process, protein modification, development of the Manufacturing process, process scale-up, process characterization, and process validation for bulk drug substance and final dosage forms of the Products and their related placebos.

1.72 "Product" means any of the BioGenerics products set forth in **Exhibit 1.72 (Products)**.

1.73 "Product Trademark" has the meaning set forth in **Section 6.3(a) (Product Trademark; Licensee Trademark)**.

1.74 "Regulatory Approval" means approval by the Regulatory Authority having jurisdiction in the applicable country of a Regulatory Approval Application and satisfaction of related applicable regulatory and notification requirements, if any, together with any other approvals necessary to make and sell a Product commercially in such country**[***].**

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1.75 "Regulatory Approval Application" means (a) the single application or set of applications in the Territory comparable to a Biologic License Application, as defined by the United States Food and Drug Administration (**"USFDA"**) in 21 CFR Part 601, or other applicable filing for each Product to Manufacture and sell commercially such Product, filed by Licensee, its Affiliates or Sublicensees with the applicable Regulatory Authority, and (b) any related registrations with or notifications to such Regulatory Authority, and any amendments or supplements thereto and any substitutes.

1.76 "Regulatory Authority" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities, including without limitation the equivalent in the Territory to the USFDA or Japanese Ministry of Health, Labour and Welfare (**"MHLW"**) regulating or otherwise exercising authority with respect to the Products in the Territory.

1.77 "Regulatory Filings" means any and all Regulatory Approval Applications and other regulatory applications, filings, approvals and associated correspondence required to Develop, Manufacture, Commercialize, and import Products in, or into, each country or jurisdiction in the Territory.

1.78 "Renewal Period" has the meaning set forth in **Section 12.2 (Extension of Term)**.

1.79 "Responsible Party" has the meaning set forth in **Section 8.5 (Joint Patent Filings)**.

1.80 "Rules" has the meaning set forth in **Section 14.3(b) (Arbitration)**.

1.81 "Sublicensee" means any person or entity to which Licensee grants a sublicense to the extent permitted under **Section 2.2 (Sublicense Rights)** (other than BioGenerics or Affiliates of BioGenerics).

1.82 "Technology Transfer Agreement" has the meaning set forth in **Section 5.2(c) (Technology Transfer Agreement)**.

1.83 "Term" has the meaning set forth in **Section 12.1 (Term)**.

1.84 "Territory" means the country(ies) set forth in **Exhibit 1.84 (Territory)**.

1.85 "Third Party" means any person or entity other than Licensee, BioGenerics, or an Affiliate of either of them.

1.86 "Third Party Payments" has the meaning set forth in **Exhibit 7.1(D) (Third Party Payments)**.

1.87 "Trademark" means any word, name, symbol, color, designation or device or any combination thereof, whether registered or unregistered, including without limitation any trademark, trade dress, service mark, service name, brand mark, trade name, brand name, logo or business symbol.

2. LICENSES.

2.1 License Grants.

(a) Development and Commercialization License to Licensee. Subject to the terms and conditions of this Agreement, BioGenerics hereby grants to Licensee and its Affiliates an exclusive (subject to **Section 2.1(d) (License to BioGenerics)** and **Section 2.4 (No Implied Rights or Licenses; Retained Rights)**), royalty-bearing license, under the BioGenerics Know-How and BioGenerics Patent Rights, to Develop, Commercialize and use Products in the Field in the Territory. The foregoing license does not include the right to Manufacture, or have Manufactured, any Products, or to conduct, or have conducted, any Process Development.

(b) Manufacturing License to Licensee. If Licensee exercises its Manufacturing Option with respect to a Product(s) pursuant to **Section 5.2 (Licensee Manufacturing Option)**, then subject to the terms and conditions of this Agreement, BioGenerics shall grant to Licensee and its Affiliates, effective as of the effective date of such Manufacturing Option exercise, an **[***]** (subject to **Section 2.1(d) (License to BioGenerics)** and **Section 2.4 (No Implied Rights or Licenses; Retained Rights))**, **[***]** license, under the BioGenerics Know-How and BioGenerics Patent Rights, to Manufacture and have Manufactured such Product(s) in the Field **[***]** for Development, Commercialization and/or use in the Territory. Notwithstanding the foregoing, Licensee may **[***]**. The foregoing license does not include the right to conduct, or have conducted, any Process Development.

(c) Generic Know-How License to Licensee. Subject to the terms and conditions of this Agreement, BioGenerics hereby grants to Licensee and its Affiliates a **[***]** license, under the BioGenerics Generic Know-How, to make, use, and sell any products other than Products or other biosimilars of the reference drugs on which the Products are based corresponding to such Products in the Field. **[***]**.

(d) License to BioGenerics. Subject to the terms and conditions of this Agreement, Licensee hereby grants to BioGenerics a non-exclusive license, under the Licensee Know-How and Licensee Patent Rights, to perform BioGenerics' obligations under this Agreement.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(e) Disclosure of Information. BioGenerics shall disclose to Licensee the BioGenerics Know-How described in and pursuant to the schedule in **Exhibit 2.1(e) (BioGenerics Know-How Disclosure Schedule)**. In addition, **[***]** BioGenerics shall disclose BioGenerics Patent Rights and additional BioGenerics Know-How that is necessary for Development or Commercialization of the Products **[***]**, including without limitation, **[***]**.

2.2 Sublicense Rights. Licensee shall not have the right to grant sublicenses under the licenses granted to it under **Section 2.1(a) (Development and Commercialization License to Licensee)** and **2.1(b) (Manufacturing License to Licensee)** without the prior written consent of BioGenerics, which consent may be withheld **[***]** except with respect to (i) **[***]**, or (ii) **[***]**, in which case **[***]**. For the avoidance of doubt, it shall be **[***]** with respect to any **[***]** shall mean a **[***]**. For clarity, a **[***]**, such as **[***]**, including, without limitation, **[***]** shall not be considered **[***]** for conducting those specific activities. If BioGenerics consents in writing to allow Licensee to grant a sublicense, then Licensee may grant such sublicense, through **[***]**, subject to the following: (a) each Sublicensee shall agree to be bound by all of the applicable terms and conditions of this Agreement; (b) the terms of each sublicense granted by Licensee shall provide that the Sublicensee shall be subject to the terms and conditions of this Agreement; (c) Licensee's grant of any sublicense shall not relieve Licensee from any of its obligations under this Agreement; (d) Licensee shall remain jointly and severally liable for any breach of a sublicense by a Sublicensee to the extent that such breach would constitute a breach of this Agreement, and any breach of the sublicense by such Sublicensee shall be deemed a breach of this Agreement by Licensee to the extent that such breach would constitute a breach of this Agreement as if Licensee had committed such breach; and (e) Licensee will notify BioGenerics of the identity of any Sublicensee, and the territory in which it has granted such sublicense, promptly after entering into any sublicense. Notwithstanding anything to the contrary in this Agreement, for clarity, Licensee shall not have the right to grant sublicenses under **Section 2.1 (License Grants)** to any Third Party to Manufacture Products, other than under **Section 2.1(b) (Manufacturing License to Licensee)** and in accordance with **Section 5.3 (Manufacturing Subcontracting)**, to a contract manufacturing organization that Manufactures Product for Licensee on a fee-for-services basis.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

2.3 Option to Obtain a License in Option Territory. Subject to the terms and conditions of this Agreement, BioGenerics hereby grants to Licensee the exclusive option (the "**Option Territory Option**"), exercisable **[***]** (a) within six (6) months after the Effective Date (the **"Option Term"**), on an Option Product-by-Option Product basis, to obtain an exclusive license to Develop and Commercialize and (b) subject to exercise of the Manufacturing Option pursuant to **Section 5.2 (Licensee Manufacturing Option)**, at any time during the term of the license agreement for the Option Product(s) in the Option Territory to be executed between the Parties or its Affiliates, to Manufacture **[***]** (**[***]**), each Option Product for the Option Territory, under **[***]** terms and conditions to be negotiated in good faith by the Parties and set forth in a separate license agreement. Licensee shall exercise the Option Territory Option, if at all, by written notice to BioGenerics at any time during the Option Term (or, with respect to the Manufacturing Option, any time during the term of the license agreement for the Option Product(s) in the Option Territory to be executed between the Parties or its Affiliates) which notice shall make reference to this Agreement and the applicable Option Product(s) and shall state Licensee's decision to exercise the Option Territory Option with respect to such Option Product(s). Within three (3) months after the exercise by Licensee of the Option Territory Option, the Parties shall negotiate in good faith a definitive written license agreement, which will specify the terms of the licensing arrangement, and shall be consistent with all of the relevant provisions of this Agreement. Notwithstanding anything in this Agreement to the contrary, during the Option Term, **[***]**.

2.4 No Implied Rights or Licenses; Retained Rights. BioGenerics grants to Licensee no rights or licenses in or to any Patent, Information, Trademark, or other intellectual property right, whether by implication, estoppel or otherwise, except to the extent expressly set forth in this Agreement. All rights not expressly granted to Licensee in this Agreement are hereby retained by BioGenerics. BioGenerics further retains the right, under the BioGenerics Know-How and BioGenerics Patent Rights, to perform BioGenerics' obligations under this Agreement. The Parties acknowledge that no rights are granted hereunder to Licensee with respect to Process Development inside or outside the Territory. The Parties further acknowledge that, except as expressly permitted under this Agreement, no rights are granted hereunder to Licensee with respect to any country outside the Territory, and that Licensee shall have no authority with respect to the development, manufacture, or commercialization of the Products outside the Territory. As between the Parties, BioGenerics shall have the sole right to conduct Process Development inside or outside the Territory, and subject to **Section 2.3 (Option to Obtain a License in Option Territory)**, to research, develop, manufacture, and commercialize the Products outside the Territory.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3. GOVERNANCE.

3.1 Joint Steering Committee.

(a) General. As soon as practicable after the Effective Date, the Parties shall establish a joint steering committee (the **"Joint Steering Committee"** or "**JSC**") to oversee the Development, Manufacturing, and Commercialization activities of the Parties with respect to Products in the Field in the Territory during the Term as set forth in this **Section 3.1**. The JSC shall have review and coordination responsibilities for Development, Manufacturing, and Commercialization of Products. The JSC shall review and provide advice regarding the overall progress of Licensee's efforts to Develop, Manufacture, and Commercialize Products. The JSC shall review and provide comments relating to the Development Plans, Commercialization Plans, and any modifications thereof, and shall be briefed by Licensee regarding the content, execution, and results achieved thereunder. The JSC shall also provide a forum for sharing advice, progress, and results relating to such activities and shall attempt to facilitate the resolution of any disputes between the Parties, as described in **Section 3.1(c) (Decision-Making; Limitations on JSC)**. The JSC may establish and oversee other committees as it deems appropriate for carrying out activities under this Agreement.

(b) Membership; Meetings. The JSC shall be composed of three (3) representatives of Licensee and three (3) representatives of BioGenerics or such number as the Parties may agree, and, during the Term, shall meet at least **[***]** per **[***]**, or more often as the JSC shall determine, in person, by teleconference, or by video-teleconference. In-person meetings shall alternate between BioGenerics and Licensee locations whenever possible unless otherwise agreed by the Parties. The first such meeting shall be held within ninety (90) days after the Effective Date. Any member of the JSC may designate a substitute to attend with prior written notice to the other Party. There will be an annually rotating chairperson (the **"Chairperson"**) with the first Chairperson to be designated by Licensee. Ad hoc guests who are employees of neither Licensee nor BioGenerics but who are subject to written confidentiality obligations commensurate in scope to the provisions in **Article 11 (CONFIDENTIALITY)** may be invited to the JSC meetings subject to the other Party's consent. Each Party may replace its JSC members with other of its employees, at any time, upon prior written notice to the other Party.

(c) Decision-Making; Limitations on JSC. Except as otherwise expressly set forth in this Agreement, decisions of the JSC shall be made by consensus, with each Party having collectively one (1) vote in all decisions. The JSC shall have only such powers as are specifically delegated to it in this Agreement and such powers shall be subject to the terms and conditions set forth in this Agreement. Without limiting the generality of the foregoing, the JSC shall have no power to amend, modify or waive compliance with this Agreement. In the event that the JSC is unable to reach a consensus decision on a matter that is within its decision-making authority within thirty (30) days after it has met and attempted to reach such decision, then either Party may submit such matter for resolution to the Executive Officers in accordance

with Section 14.2 (Resolution by Executive Officers), and the dispute resolution procedure set forth in Article 14 (**DISPUTE RESOLUTION**) shall apply.

(d) Secretary; Minutes. The Chairperson shall designate a secretary of the JSC who will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and circulating minutes within thirty (30) days after each meeting of the JSC setting forth, among other things, a description, in reasonable detail, of the discussions at the meeting and a list of any actions, decisions, or determinations approved by the JSC. Such minutes shall be effective only after being approved by both Parties. Definitive minutes of all JSC meetings shall be finalized no later than sixty (60) days after the meeting to which the minutes pertain.

3.2 Joint Development Committee. As soon as practicable after the Effective Date, the Parties shall establish a joint Development committee (the **"Joint Development Committee"** or **"JDC"**). The JDC will be composed of an equal number of representatives from BioGenerics and Licensee, except the case of BioGenerics' withdrawal set forth in **Section 3.5 (BioGenerics' Membership in Committees)**. For clarity, either Party may invite its employees to the JDC. The JDC will be responsible for the coordination and review and consultation of the Development efforts with respect to each Product, including without limitation **[***]**. The JDC will report to the JSC, and any disagreement between the Parties' members on the JDC will be submitted for resolution to the JSC in accordance with **Section 3.1(c) (Decision-Making; Limitations on JSC)**; *provided, however*, that if the Executive Officers are unable to reach resolution in accordance with **Section 14.2 (Resolution by Executive Officers)**, then no further escalation of dispute resolution under **Article 14 (DISPUTE RESOLUTION)** shall apply and **[***]** shall have the final deciding vote, unless **[***]**. The JDC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to **[***]**.

3.3 Joint Process and Manufacturing Committee. As soon as practicable after the Effective Date, the Parties shall establish a joint Process Development and Manufacturing committee (the **"Joint Process and Manufacturing Committee"** or **"JPMC"**). The JPMC will be composed of an equal number of representatives from BioGenerics and Licensee, except the case of BioGenerics' withdrawal set forth in **Section 3.5 (BioGenerics' Membership in Committees)**. For clarity, either Party may invite its employees to the JPMC. The JPMC will be responsible for reviewing Process Development and Manufacturing improvements, progress and development of analytical methods and analysis, Product formulations, coordination of technology transfer from BioGenerics to Licensee as set forth in **Section 5.2(c) (Technology Transfer Agreement)**, as well as other Process Development and Manufacturing related activities. The JPMC will report to the JSC, and any disagreement between the Parties' members on the JPMC will be submitted for resolution to the JSC in accordance with **Section 3.1(c)**

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(Decision-Making; Limitations on JSC); *provided*, *however*, that if the JSC is unable to reach resolution within the thirty (30) day period allotted to it under **Section 3.1(c) (Decision-Making; Limitations on JSC)**, then no further escalation of dispute resolution under **Article 14 (DISPUTE RESOLUTION)** shall apply and **[***]** shall have the final deciding vote, unless the dispute relates to **[***]**, and **[***]**. The JPMC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to **[***]**.

3.4 Joint Commercialization Committee. Upon a decision by the JSC to activate the joint Commercialization committee (the **"Joint Commercialization Committee"** or **"JCC"**), the Parties shall establish the JCC, but in no case later than eighteen (18) months prior to the first projected launch of a Product in the Territory. The JCC will be composed of an equal number of representatives from each of BioGenerics and Licensee, except the case of BioGenerics' withdrawal set forth in **Section 3.5 (BioGenerics' Membership in Committees)**. For clarity, either Party may invite its employees to the JCC. The JCC will be responsible for the communication, review and discussion of the Commercialization Plans and other Commercialization matters, including but not limited to marketing strategy and planning, pricing, commercial manufacture, and medical affairs support. Without limiting the foregoing, the JCC shall be responsible for: (a) reviewing Commercialization Plans (and changes thereto) for the Products in the Territory prior to adoption of such plans or changes by a Licensee; (b) communicating with the JDC regarding the interrelationship between Development activities and potential Commercialization of the Products in the Territory; (c) reviewing and monitoring the activities and progress against the Commercialization Plans; (d) monitoring and reporting on the competitive landscape for the Products in the Territory; (e) establishing appropriate processes for coordinating review of promotional materials for the Territory to ensure compliance with Applicable Law and industry best practices; (f) overseeing the trademark and publication strategies for the Territory; and (g) communicating with the Parties regarding all of the foregoing. The JCC will report to the JSC, and any disagreement between the Parties' members on the JCC will be submitted for resolution to the JSC in accordance with **Section 3.1(c) (Decision-Making; Limitations on JSC)**; *provided*, *however*, that if the Executive Officers are unable to reach resolution in accordance with **Section 14.2 (Resolution by Executive Officers)**, then no further escalation of dispute resolution under **Article 14 (DISPUTE RESOLUTION)** shall apply and **[***]** shall have the final deciding vote, unless [***]. The JCC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to review and discuss material decisions and key activities that relate to such activities, with a first meeting no later than **[***]** prior to **[***]**.

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3.5 BioGenerics' Membership in Committees. BioGenerics' membership in the JSC, JDC, JPMC, JCC, and/or any other committee established by the JSC pursuant to **Section 3.1(a) (General)** shall be at its sole discretion, as a matter of right and not obligation, for the sole purpose of participation in governance, decision-making, and information exchange with respect to activities within the jurisdiction of such committee. At any time during the Term, BioGenerics shall have the right to withdraw from membership in any or all of such committees upon thirty (30) days' prior written notice to Licensee, which notice shall be effective as to the relevant committee upon the expiration of such thirty (30) day period. For clarity, any withdrawal by BioGenerics from a committee shall not affect any of its other obligations under this Agreement, including Process Development and Manufacturing. Following the issuance of such notice for a given committee, (a) BioGenerics' membership in such committee shall be terminated and (b) BioGenerics shall have the right to continue to receive the information it would otherwise be entitled to receive under this Agreement but shall have no decision making authority in such committee. If, at any time, following issuance of such a notice, BioGenerics wishes to resume participation in such committee, BioGenerics shall notify Licensee in writing and, thereafter, BioGenerics' representatives to such committee shall be entitled to attend any subsequent meeting of such committee and to participate in the activities of, and decision-making by, such committee as provided in this **Article 3** as if such notice had not been issued by BioGenerics pursuant to this **Section 3.5**. If BioGenerics withdraws from membership in any or all of such committees, then any data and information that otherwise would have been provided by a Party to such committee(s) shall be provided by such Party directly to the other Party.

4. DEVELOPMENT AND REGULATORY MATTERS.

4.1 Development Activities and Funding. Licensee shall be responsible for the Development of the Products, the preparation and submission of Regulatory Filings for the Products, and obtaining and maintaining all Regulatory Approvals for the Products, each to the extent in the Field and in the Territory and each in accordance with the Development Plan, subject to **Section 5.1(b) (Regulatory Filings for Manufacturing)**. Licensee shall use Commercially Reasonable Efforts to conduct all Development activities with respect to the Products, in accordance with the applicable Development Plans. Except as stated otherwise in this Agreement, Licensee shall **[***]**, including without limitation **[***]**. Licensee's responsibility with respect to the Products in the Field in the Territory shall include without limitation: (a) filing for and seeking Regulatory Approvals (subject to **Section 5.1(b))** in the name of Licensee from the relevant Regulatory Authorities; (b) carrying out all major Development tasks to be conducted prior to submission of filings for Regulatory Approval of the Products in the Field in the Territory and any post-Regulatory Approval Development activities to be conducted for any such Product; (c) identifying key Development objectives, expected associated resources, risk factors, timelines, decision points and relevant decision criteria; (d) carrying out all aspects of all Clinical

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Trials (including but not limited to bioequivalence Clinical Trials) in the Territory necessary to obtain Regulatory Approval in the Territory for each Product pursued (including without limitation post-Regulatory Approval Clinical Trials), including, but not limited to, (i) designing study protocols, (ii) establishing and contracting with Clinical Trial sites, investigators and clinical research organizations, (iii) enrolling Clinical Trial subjects, (iv) organizing investigator meetings, scientific meetings, advisory panel workshops and regulatory meetings, and (v) analyzing and summarizing Clinical Trial results; (e) performing any other additional clinical research in support of the Development of the Products; (f) forecasting clinical manufacturing production requirements; (g) reporting on study design, study outcome, other communications and Regulatory Filings to the appropriate Regulatory Authority; and (h) submitting all Clinical Trial results and any other clinical data to the Global Clinical Database pursuant to **Section 4.12 (BioGenerics Global Clinical Database)**. Notwithstanding the foregoing, BioGenerics shall be responsible for carrying out non-clinical studies expressly set forth in **Exhibit 4.1 (Non-Clinical Studies)** relating to obtaining or maintaining Regulatory Approval of the Product and preparing the filing documents thereof, each at BioGenerics' sole cost and expense in accordance with the timeline agreed by the JDC; *provided, however*, that for all non-clinical studies not set forth in **Exhibit 4.1** and requested by Licensee, which are required solely for Regulatory Approval in the Territory, BioGenerics shall conduct any such studies at its sole discretion and Licensee shall **[***]**. Licensee shall have **[***]** after the Effective Date to **[***]**, and **[***]**. Licensee shall promptly, and in no event more than fifteen (15) days after **[***]**, provide **[***]**, and BioGenerics shall **[***]**. For the avoidance of doubt, BioGenerics shall **[***]**. Some examples for which it would be considered **[***]** include, without limitation: (i) **[***]**, (ii) **[***]**, or (iii) **[***]**.

4.2 Development Plans. Not later than three (3) months after the Effective Date, Licensee shall provide to the JDC for review its Development Plan for Development of each Product in the Field in the Territory. The Development Plan shall include, with respect to each Product, a multi-year plan for conducting anticipated Development activities with respect to such

Product, including without limitation the following anticipated activities or events: **[***]**, **[***]**, **[***]**, and **[***]**, if applicable. Licensee may **[***]**. No Development Plan may be implemented by Licensee if **[***]**. The Development Plans shall be consistent with and shall not contradict the terms of this Agreement without the written consent of the Parties, and in the event of any inconsistency between any of the Development Plans and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a Regulatory Authority or Applicable Law requires a change to a Development Plan, Licensee shall revise the Development Plan to the extent necessary to comply with such requirement and shall promptly provide to the JDC the revised Development Plan.

4.3 Efforts. Licensee and its Affiliates and Sublicensees, at Licensee's sole cost and expense, shall use Commercially Reasonable Efforts to Develop the Products in the Field in the Territory in accordance with the Development Plan and the terms of this Agreement, including without limitation by using Commercially Reasonable Efforts to prepare, obtain, and maintain all Regulatory Filings and Regulatory Approvals covering the Products in the Field in the Territory. Subject to the requirements of **Section 12.5 (Termination for Material Breach)** including the requirement of providing written notice and the entitlement of a cure period**,** if Licensee does not comply in any material way (including all material aspects of the Development Plan) with the obligations set forth in this **Section 4.3** with respect to a Product in a country in the Territory, BioGenerics shall have the right to terminate the rights granted to Licensee under **Section 2.1 (License Grants)** with respect to such Product in such applicable country, and **Section 12.7 (Consequences of Expiration or Termination)** shall apply with respect to such Product in such country.

4.4 Standard of Performance. Licensee, in performing its activities in connection with the Development of the Products, shall comply with all Applicable Laws.

4.5 Regulatory Filings. Except with respect to Regulatory Filings controlled by BioGenerics under **Section 5.1(b) (Regulatory Filings for Manufacturing)**, Licensee or its designee shall be the owner of any and all Regulatory Filings and Regulatory Approvals covering the Products in the Field in the Territory and shall be responsible for all interactions with Regulatory Authorities relating thereto; *provided*, *however*, that, at all times during the Term, BioGenerics shall have the opportunity to have one (1) representative attend all key meetings, solely as an observer, with Regulatory Authorities relating to the Products, **[***]**. Licensee and its Affiliates and Sublicensees, shall provide BioGenerics, at BioGenerics' request**[***]**, with summary documents of Regulatory Filings and Regulatory Approvals. BioGenerics will cooperate with Licensee, at its reasonable request, with respect to any Regulatory Filings for which Licensee is responsible. In addition to Licensee's other obligations under this **Section 4.5**, Licensee shall keep BioGenerics informed on a regular basis (but no less frequently than **[***]**) of Regulatory Filings related to the Products. As

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between the Parties, BioGenerics shall be the owner of any and all regulatory filings by BioGenerics, its Affiliates or licensees with the USFDA or its equivalent in each country outside the Territory pertaining to the Products and shall be responsible for all interactions with such regulatory authorities relating thereto. **[***]**.

4.6 Development Subcontracting. Subject to **Section 2.2 (Sublicense Rights)**, Licensee may perform any activities in support of its Development of Products through subcontracting to a Third Party contractor or contract service organization; provided that: (a) none of the rights of BioGenerics hereunder is materially adversely affected as a result of such subcontracting; (b) any such Third Party subcontractor to whom Licensee discloses Confidential Information has entered into an appropriate written agreement obligating such Third Party to be bound by obligations of confidentiality and restrictions on use of such Confidential Information that are no less restrictive than the obligations in **Article 11 (CONFIDENTIALITY)**; (c) Licensee will retain or obtain ownership or a license of any and all intellectual property (and patent rights covering such intellectual property) made by such Third Party in performing such services for Licensee that are necessary for the Development, Manufacturing, and/or Commercialization; and (d) Licensee shall at all times be responsible for the performance of such subcontractor.

4.7 Development Reports. Licensee will provide, at least **[***]** per **[***]**, the JDC with written Development reports or presentations at JDC meetings. Each report or presentation shall include, but not be limited to, the Development activities accomplished by or on behalf of Licensee since the previous JDC meeting, including without limitation a summary of significant results and Information generated, significant challenges anticipated and **[***]** relating to each Product. Upon request by BioGenerics, Licensee shall provide BioGenerics additional Information with respect to the material experimental data underlying such summary, summaries of available clinical protocols, investigator brochures, regulatory submissions and correspondence from Regulatory Authorities with respect to Products. Upon request of either Party, the other Party's JDC members shall meet with the requesting Party's JDC members to discuss any aspects of such reports within a reasonable time period after such request.

4.8 Records. Licensee shall, and shall require its Affiliates, its subcontractors and Sublicensees to, maintain accurate records of all work, in accordance with Applicable Laws, conducted in furtherance of the Development of Products and all results, Information, and developments made in conducting such activities. Such records shall be accurate and shall fully and properly reflect all such work done and results achieved in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes.

4.9 Notice of Communication with Regulatory Authorities. Except with respect to Regulatory Filings controlled by BioGenerics under **Section 5.1(b) (Regulatory Filings for Manufacturing)**, Licensee shall be responsible for reporting all adverse events and handling all complaints and communications (including without limitation with Regulatory Authorities) relating to the Products in the Field in the Territory. Except as otherwise provided for in this

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Section 4.9, each Party shall provide summaries **[***]** to the other Party of any oral or written major communications to or from Regulatory Authorities on matters relating to the Products in the Territory. Notwithstanding the foregoing, each Party shall notify the other Party of any oral communications, and provide such other Party with copies of any written communications, to or from Regulatory Authorities on matters which may reasonably be deemed to impact Development, Manufacture, Commercialization or Regulatory Approval of Products within five (5) Business Days of receipt of such communication, or such earlier date as required by Applicable Laws or Regulatory Authority. Moreover, in each such case, **[***]**, and provide such other Party with a copy of the final response as specified herein.

4.10 Trial Master File. Notwithstanding any other provision in this Agreement regarding the return or transfer of Confidential Information or clinical trial data or documents, any Party that is a sponsor of a Clinical Trial involving the Products shall retain all documents and data, including, but not limited to the Trial Master File, to the extent required to be retained under Applicable Laws. **[***]**.

4.11 Right of Reference.

(a) BioGenerics hereby grants to Licensee, its Affiliates and Sublicensees a right of reference **[***]** to any regulatory filings **[***]**.

(b) Licensee hereby grants to BioGenerics, its Affiliates and licensees a right of reference **[***]** to any Regulatory Filings **[***]**.

4.12 BioGenerics Global Clinical Database.

(a) Subject to **Section 4.14 (Pharmacovigilance)**, BioGenerics may, in BioGenerics' sole discretion, create a global database for all Clinical Trial results and clinical data submitted by BioGenerics and its exclusive licensees throughout the world to applicable regulatory authorities (the **"Global Clinical Database"**). The purpose of the Global Clinical Database will be for BioGenerics and its exclusive licensees who submit data to the Global Clinical Database to share such data in support of their regulatory filings, and, in the case of BioGenerics, for use in Process Development activities.

(b) If BioGenerics decides to create the Global Clinical Database, BioGenerics shall notify Licensee of such decision, and Licensee shall be obligated to submit all clinical data pertaining to the Products in the Territory [***] in a form to be [***], and subject to Applicable Laws, including any obligations to de-identify patient specific data, to the Global Clinical Database.

(c) BioGenerics shall be responsible for managing, maintaining, and updating the Global Clinical Database in accordance with Applicable Laws and shall have the right to share any and all de-identified information received from Licensee under this **Section 4.12** with **[***]** outside the Territory relating to the Products **[***]**.

(d) Following Licensee's submission of and BioGenerics' acceptance of Licensee's clinical data for the Global Clinical Database, Licensee shall have reasonable access to the Global Clinical Database for use in its Regulatory Filings. Licensee's continued access to the Global Clinical Database shall be conditioned on Licensee's timely submission of additional data under this **Section 4.12** to the extent such data is generated by or on behalf of Licensee. Subject to Licensee's compliance with this **Section 4.12**, Licensee shall have the right to share any and all Information in the Global Clinical Database with Licensee's Affiliates and Sublicensees in the Territory.

4.13 BioGenerics Global Development Plan. The Parties acknowledge that **[***]**. The Parties agree to **[***]**. Upon the request of either Party, the Parties shall **[***]**.

4.14 Pharmacovigilance. In no event later than six (6) months after the Effective Date, the Parties shall enter into a pharmacovigilance agreement concerning all matters relating to the pharmacovigilance and the exchange of all relevant Information that relates to the safety of each Product worldwide and especially all adverse events. Generally, (a) Licensee shall be responsible for reporting all adverse drug reaction experiences required to be reported to the appropriate Regulatory Authorities in the countries in the Territory in which such Product is being Developed or Commercialized, in accordance with the Applicable Laws of the relevant countries and Regulatory Authorities; and (b) BioGenerics, its Affiliates or licensees or sublicensees shall be responsible for submitting all regulatory filings, including without limitation any post-marketing reports of adverse drug experiences, relating to such Product required to be reported to the appropriate regulatory authorities outside of the Territory in

accordance with the Applicable Laws of the relevant countries. BioGenerics shall have the right to share any and all information received from Licensee under this **Section 4.14** (and/or such pharmacovigilance agreement) with BioGenerics' Affiliates and licensees and sublicensees outside the Territory. Licensee shall have the right to share any and all information received from BioGenerics under this **Section 4.14** and/or such pharmacovigilance agreement with Licensee's Affiliates and Sublicensees in the Territory. The JSC shall review from time to time Licensee's pharmacovigilance policies and procedures.

5. MANUFACTURING.

5.1 Manufacturing by BioGenerics. BioGenerics, either directly or through its designee, shall be responsible for the Manufacture and supply of Products to Licensee or its designated Affiliate or Sublicensee or a Third Party logistics provider, freight forwarder or contract research organization, designated by Licensee for Development in the Territory in conformance with the specifications set forth in the respective Regulatory Approval Application. Unless Licensee exercises the Manufacturing Option set forth in **Section 5.2 (Licensee Manufacturing Option)**, BioGenerics, either directly or through its designee, shall be responsible for the Manufacture and supply of Products to Licensee for Commercialization in the Territory in conformance with the specifications set forth in the respective Regulatory Approval Application. Such Products shall be provided to Licensee as set forth in **Exhibit 5.1 (Manufacturing and Supply by BioGenerics)**.

(a) Manufacturing and Supply Agreements. Within six (6) months after the Effective Date, the Parties shall negotiate in good faith and enter into a definitive written clinical supply agreement, which will specify the terms of the Manufacturing and supply of Products by BioGenerics to Licensee or its designee to be used in non-clinical and Clinical Trials. The Parties shall negotiate in good faith and enter into a definitive written commercial supply agreement**[***]**, which will specify the terms of the Manufacturing and supply of Products by BioGenerics to Licensee or its designee for commercial use (together with the clinical supply agreement, the **"Manufacturing and Supply Agreements"**). The Manufacturing and Supply Agreements shall be consistent with all of the terms and conditions in this **Section 5.1**, **Exhibit 5.1 (Manufacturing and Supply by BioGenerics)**, and all other relevant provisions of this Agreement, and shall be agreements to supply all of Licensee's, its Affiliates' and Sublicensees' requirements for the Products in the Territory and contain customary market terms including, without limitation, **[***]**.

(b) Regulatory Filings for Manufacturing. BioGenerics shall be solely responsible for the preparation and submission of all Regulatory Filings with respect to the Manufacture of the Products provided to Licensee pursuant to this **Section 5.1**, including without limitation with respect to the use of any Third Party to Manufacture and supply the Products. Licensee shall provide BioGenerics any cooperation reasonably requested by BioGenerics in

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connection with any such Regulatory Filings, and BioGenerics shall **[***]**.

5.2 Licensee Manufacturing Option (a). Licensee shall have the option to obtain the right to Manufacture Product **[***]** for Development and/or Commercialization in the Territory (the **"Manufacturing Option"**), which Licensee may exercise **[***]** at any time during the Term, by providing to BioGenerics written notice thereof.

(a) Grant of License. Upon the effective date of Licensee's exercise of the Manufacturing Option, BioGenerics shall grant to Licensee the license to Manufacture or have Manufactured the applicable Product(s) set forth in **Section 2.1(b) (Manufacturing License to Licensee),** and shall disclose to Licensee, pursuant to a schedule to be included in the Technology Transfer Agreement, the BioGenerics Know-How that is necessary to Manufacture the Products in the Field;

(b) Process Development. BioGenerics shall be responsible for any and all Process Development reasonably necessary for Licensee, its Affiliates and Sublicensees to Manufacture, Develop, or Commercialize the Products or to support Regulatory Approval in the Territory;

(c) Technology Transfer Agreement. As soon as reasonably practicable, but no later than six (6) months after Licensee's exercise of the Manufacturing Option **[***]**, the JPMC shall agree on a process for, and prepare a schedule pertaining to the implementation of, the technology transfer of BioGenerics Know-How necessary for Licensee to Manufacture or have Manufactured the applicable Product, and the Parties shall execute an agreement thereon (the **"Technology Transfer Agreement"**). The Technology Transfer Agreement shall specify, among other items, **[***]**; and

(d) Supply by Licensee. If Licensee is Manufacturing Product pursuant to this **Section 5.2 (Licensee Manufacturing Option)** (which Manufacturing for purposes of this **Section 5.2(d) [***]**), and the Parties mutually agree that BioGenerics will purchase Product Manufactured by Licensee, BioGenerics may purchase Product Manufactured by Licensee**[***]** for sale in markets outside of the Territory, the Parties shall negotiate in good faith and enter into a separate definitive written Licensee manufacturing and supply agreement. Such Licensee manufacturing and supply agreement shall contain customary market terms including, without limitation, **[***]**.

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5.3 Manufacturing Subcontracting. Subject to **Section 2.2 (Sublicense Rights)**, Licensee may perform any activities in support of its Manufacturing of Products through subcontracting to a Third Party contractor or contract manufacturing organization; provided that: (a) none of the rights of BioGenerics hereunder is materially adversely affected as a result of such subcontracting; (b) any such Third Party subcontractor to whom Licensee discloses Confidential Information has entered into an appropriate written agreement obligating such Third Party to be bound by obligations of confidentiality and restrictions on use of such Confidential Information that are no less restrictive than the obligations in **Article 11 (CONFIDENTIALITY)**; (c) Licensee will retain or obtain ownership or a license of any and all intellectual property (and patent rights covering such intellectual property) made by such Third Party in performing such manufacturing services for Licensee that are necessary for the development, manufacturing, and/or commercialization of Products; and (d) Licensee shall at all times be responsible for the performance of such subcontractor.

5.4 Records. The Parties shall, and shall require its Affiliates, subcontractors and sublicensees to, maintain records of all work conducted by such Party in furtherance of the Manufacture of Products and all results, Information, and developments made in conducting such activities in accordance with Applicable Laws. Such records shall be complete and accurate and shall fully and properly reflect all such work done and results achieved in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes.

6. COMMERCIALIZATION.

6.1 Efforts. Licensee shall be responsible for the Commercialization of Products, and, as between the Parties, shall book all sales of Products in the Territory in the Field. Licensee shall use Commercially Reasonable Efforts to Commercialize the Products in the Territory in accordance with the Commercialization Plan and terms of this Agreement. Subject to the requirements of **Section 12.5 (Termination for Material Breach)** including the requirement of providing written notice and the entitlement of a cure period**,** if Licensee does not comply in any material way (including all materials aspects of the Commercialization Plan) with the obligations set forth in this **Section 6.1** with respect to a Product in a country in the Territory, BioGenerics shall have the right to terminate the rights granted to Licensee under **Section 2.1 (License Grants)** with respect to such Product in such applicable country, and **Section 12.7 (Consequences of Expiration or Termination)** shall apply with respect to such Product in such country.

6.2 Commercialization Plan.

(a) Not later than three **[***]** after submission of Regulatory Filings for each Product in each country of the Territory, Licensee will provide to the JCC for review its initial Commercialization Plan for each Product for each country in the Territory. Such initial Commercialization Plan will describe Licensee's plans for activities to be conducted for such Product for such country. Each Commercialization Plan shall include the details of obligations to be performed by Licensee to achieve the specific activities that are applicable to the stage of

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Commercialization (e.g., pre-launch, launch planning, launch, or post-launch) of the applicable Product during the time period covered by such Commercialization Plan and subsequent time periods.

(b) Prior to the First Commercial Sale for such Product in such country, Licensee will provide to the JCC for review an updated Commercialization Plan for such Product for such country. Such updated Commercialization Plan will include, but not be limited to, Licensee's updated plans for activities to be conducted for such Product for such country prior to launch as well as activities to be conducted in connection with such launch.

(c) Promptly after each anniversary of the First Commercial Sale of such Product during the Term, Licensee will provide to the JCC for review updated Commercialization Plans for such Product for such country. Such further updated Commercialization Plan will include, but not be limited to, Licensee's plans for Commercialization activities for such Product and such country for the twelve (12) month period following the date of delivery of such Commercialization Plan.

No Commercialization Plan may be implemented by Licensee if **[***]**. Each Commercialization Plan shall be consistent with and shall not contradict the terms of this Agreement **[***]**, and in the event of any inconsistency between the Commercialization Plan and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a **[***]**, Licensee shall **[***]** and shall promptly **[***]**.

6.3 Trademarks.

(a) Product Trademark; Licensee Trademark. Subject to **Section 6.3(d) (Use of BioGenerics Trademarks)**, each Product, including without limitation all packaging, promotional materials, package inserts, and labeling for such Product, shall bear one or more Trademark(s) that pertain specifically to such Product chosen and owned by Licensee (**"Product Trademark"**) and to the extent allowed by Applicable Laws, the Licensee Trademark.

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(b) Global Brand Trademark. Licensee shall have the option**[***]** to use one or more Trademark(s) Controlled by BioGenerics that pertain specifically to a particular Product outside of the Territory for such Product in the Territory (the **"Global Brand Trademark**") in place of using the Product Trademark under **Section 6.3(a) (Product Trademark; Licensee Trademark)**. Such Global Brand Trademark may be used on all Products in the Territory including without limitation all packaging, promotional materials, package inserts, and labeling for such Product.

(c) Trademark Prosecution and Maintenance. Licensee shall **[***]** be responsible for filing, prosecuting and maintaining, including without limitation searching and policing, any and all Product Trademarks and Licensee Trademarks, and conducting litigation with respect thereto. BioGenerics shall [***] be responsible for filing, prosecuting and maintaining, including without limitation searching and policing, any and all Global Brand Trademarks and BioGenerics Trademarks, and conducting litigation with respect thereto.

(d) Use of BioGenerics Trademark. To the extent allowed by Applicable Laws, at BioGenerics' request, each Product, including without limitation all packaging, promotional materials, package inserts, and labeling for such Product, shall bear the BioGenerics Trademark as set forth in this **Section 6.3(d)**. Subject to the terms and conditions of this Agreement, BioGenerics hereby grants to Licensee a non-exclusive, royalty-free license, under the BioGenerics Trademarks and, subject to Licensee's option under **Section 6.3(b) (Global Brand Trademark)**, under the Global Brand Trademarks, with the right to grant sublicenses in accordance with **Section 2.2 (Sublicense Rights)**, throughout the Territory, to use and display the BioGenerics Trademarks in connection with the Commercialization of each Product in the Field throughout the Territory, as provided under and in accordance with this **Section 6.3**. All representations of the BioGenerics Trademark(s) that Licensee so uses, if intended to be disclosed to Third Parties and not previously approved by BioGenerics, will first be submitted to BioGenerics for approval**[***]**, and BioGenerics will have **[***]** to review and approve each such representation of the BioGenerics Trademark(s). **[***]**. Licensee shall not use any BioGenerics Trademark outside the scope of this Agreement, and shall not knowingly take any action that would materially adversely affect the value of any BioGenerics Trademark. BioGenerics shall retain the right to monitor the quality of the goods on or with which any BioGenerics Trademark is used solely to the extent necessary to maintain BioGenerics' Trademark rights. For clarity, should Applicable Laws only permit one Trademark (i.e. Licensee Trademark or BioGenerics Trademark) on the Products, that Trademark shall be Licensee Trademark.

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(e) Packaging. BioGenerics shall be responsible for filling Product into syringes or vials and labeling of such Product, with a label or package design provided by Licensee, until such time that Licensee has exercised the Manufacturing Option and such Manufacturing for purposes of this **Section 6.3(e)** has commenced and includes the manufacture of Formulated Bulk. For the avoidance of doubt, packaging, shipping, novel administration devices and other such costs will be borne by Licensee. In case that Licensee exercises the Manufacturing Option for a Product, then Licensee shall be responsible for all packaging and labeling of each Product Manufactured by Licensee, its Affiliates or Sublicensees after completion of the technology transfer from BioGenerics to Licensee, its Affiliates or Sublicensees. **[***]**.

7. PAYMENT OBLIGATIONS.

7.1 Payment Structure. In consideration for the rights granted to Licensee under this Agreement, Licensee shall pay BioGenerics the amounts set forth in **Exhibit 7.1 (Payment Structure)**.

7.2 Reports and Payments. During the Term following the First Commercial Sale of any Product, within **[***]** after the end of each Calendar Quarter, Licensee shall pay to BioGenerics royalty and other fees payable for such Calendar Quarter and shall provide a report showing, on a Product-by-Product and country-by-country basis:

(a) the gross amount invoiced for and the Net Sales during such Calendar Quarter reporting period, including without limitation the specific deductions applied in the calculation of such Net Sales amounts;

(b) the royalties and other fees payable in Dollars which shall have accrued hereunder with respect to such Net Sales;

(c) the rate of exchange used by Licensee in determining the amount of Dollars payable hereunder.

If no royalty or other payment is due for any period hereunder, Licensee shall so report. Licensee shall keep, and shall require its Affiliates and Sublicensees to keep (all in accordance with GAAP), complete and accurate records in sufficient detail to properly reflect the Net Sales and to enable the royalties and other fees payable hereunder to be determined for a period of at least five (5) Calendar Years or as otherwise necessary to permit the audits contemplated under **Section 7.7 (Audit Request)**.

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7.3 Sublicensing. In the event Licensee grants a sublicense under **Section 2.2 (Sublicense Rights)** to a Sublicensee to offer to sell or sell Products in the Territory such sublicenses shall require the Sublicensee to account for and report its Net Sales of such Product on the same basis as if such sales were Net Sales of such Product by Licensee, and Licensee shall pay royalties on such sales as if the Net Sales of the Sublicensees were Net Sales of Licensee.

7.4 Currency of Payment. All payments to be made under this Agreement shall be made in Dollars. Net Sales made in foreign currencies shall be converted into Dollars using **[***]**.

7.5 Accounting.

(a) Licensee shall determine Net Sales with respect to the Products using its standard accounting procedures, consistent with GAAP, as if the Products were solely owned products of Licensee, except as specifically provided in this Agreement. In the case of amounts to be determined by Third Parties (for example, Net Sales by Sublicensees), such amounts shall be determined in accordance with GAAP in effect in the country in which such Third Party is engaged. The Parties also recognize that such procedures may change from time to time and that any such changes may affect the definition of Net Sales. The Parties agree that, where such changes are economically material to BioGenerics, adjustments shall be made to compensate BioGenerics in order to preserve the same economics as are reflected under this Agreement under Licensee's accounting procedures in effect prior to such change. Where the change is or would be material to BioGenerics, Licensee shall provide an explanation of the proposed change and an accounting of the effect of the change on the relevant revenue, cost, or expense category.

(b) In the event of the payment or receipt of non-cash consideration in connection with the performance of activities under this Agreement, Licensee shall advise BioGenerics of such transaction, including without limitation Licensee's assessment of the fair market value of such non-cash consideration and the basis therefor. Such transaction shall be accounted for on a cash equivalent basis, as mutually agreed by the Parties in good faith.

7.6 Withholding Tax. Licensee shall bear any and all taxes required to be paid on amounts due to BioGenerics, and Licensee shall not be entitled to deduct such payments from such amounts payable to BioGenerics under **Section 7.1 (Payment Structure)**. For clarity, amounts due to BioGenerics under **Section 7.1** shall be based on amounts due to BioGenerics prior to any deduction as a result of taxes payable by Licensee. BioGenerics shall reasonably cooperate Licensee to facilitate appropriate proceedings required by tax authorities in the Territory relating to the payments hereunder.

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7.7 Audit Request. Each Party shall, at its expense (except as provided below), have the right to audit during regular business hours the books and records maintained by the other Party to determine with respect to any Calendar Year, the accuracy of any report or payment made or expense charged by one Party to the other under this Agreement in the [***] preceding Calendar Years. If a Party desires to audit such records, it shall engage an independent, certified public accountant reasonably acceptable to the other Party, to examine such records under conditions of confidentiality. Such accountant shall be instructed to provide to the auditing Party a report verifying any report made or payment submitted or expense charged by the other Party during such period, but shall not disclose to the auditing Party any Confidential Information of the other Party not necessary therefor. The expense of such audit shall be borne by the auditing Party; *provided*, *however*, that, if an error of more than five percent (5%) is discovered, then such expenses shall be paid by the other Party. If such accountant concludes that additional payment amounts were owed or additional expenses were charged to the auditing Party during any period, the other Party shall pay such payment amount (including without limitation interest thereon pursuant to **Section 7.8 (Interest)** from the date such amounts were payable) within thirty (30) days after the date the auditing Party delivers to the other Party such accountant's written report so concluding, unless such other Party notifies the auditing Party of any dispute regarding the audit and commences proceedings under **Article 14 (DISPUTE RESOLUTION)** within thirty (30) days after delivery of the accountant's report (in which case the payment shall be delayed until conclusion of the proceeding). Such auditors shall not be paid on a contingency basis.

7.8 Interest. Licensee shall pay BioGenerics interest on any payments that are not paid on or before the date such payments are due under this Agreement at [***].

8. INTELLECTUAL PROPERTY AND INVENTIONS.

8.1 Intellectual Property. Except as otherwise expressly set forth in this Agreement, neither Party grants any right, title, or interest in any Patent, Information, Trademark, or other intellectual property right Controlled by such Party to the other Party.

8.2 Disclosure. Each Party shall promptly disclose to the other Party any Inventions that it or its employees, sublicensees, Affiliates, independent contractors or agents solely or jointly make, conceive, reduce to practice, author, or otherwise discover.

8.3 Ownership of Inventions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) Sole Inventions. All Inventions made, conceived, reduced to practice, or otherwise discovered solely by employees, independent contractors, or agents of either Licensee or BioGenerics, or their respective Affiliates or sublicensees, excluding any such Inventions owned solely by BioGenerics pursuant to **Section 8.3(c) (BioGenerics Inventions)**, shall be solely owned by such Party. Patents and Patent Applications covering Inventions that are solely owned by BioGenerics shall be included in the BioGenerics Patent Rights. Patents and Patent Applications covering solely Inventions that are solely owned by Licensee shall be included in the Licensee Patent Rights.

(b) Joint Inventions. All Inventions made, conceived, reduced to practice, or otherwise discovered by employees, independent contractors, or agents of each of Licensee and BioGenerics, or their respective Affiliates or sublicensees, excluding any such Inventions owned solely by BioGenerics pursuant to **Section 8.3(c) (BioGenerics Inventions)**, shall be owned jointly by the Parties (**"Joint Inventions"**). Each Party shall own an undivided one-half (1/2) interest in each such Joint Invention, and all Patents and Patent Applications claiming it and other intellectual property rights therein, and, with no duty of accounting to the other Party, shall have the right to practice such Joint Invention and grant licenses under such Party's interest in such Patents and Patent Applications and other intellectual property rights in such Party's interest in such Joint Inventions without the consent of the other Party. BioGenerics' interest in any Patents and Patent Applications covering Joint Inventions shall be included in the BioGenerics Patent Rights, and Licensee's interest in any Patents and Patent Applications covering Joint Inventions shall be included in the Licensee Patent Rights.

(c) BioGenerics Inventions. Notwithstanding **Sections 8.3(a) (Sole Inventions)** and **Section 8.3(b) (Joint Inventions)**, as between the Parties, BioGenerics shall solely own all right, title, and interest in and to all Inventions that claim, cover, or relate to **(i)** [***], and all Patents and Patent Applications claiming them and all other intellectual property rights therein, including without limitation all rights to enforce such Patents and Patent Applications (**"**BioGenerics Inventions"). BioGenerics shall be responsible, at its sole expense and discretion (subject to **Section 8.4 (Individual Patent Filings))**, and if necessary with the cooperation of Licensee **[***]**, for the preparation, filing, prosecution, and maintenance of Patents and Patent Applications claiming such Inventions as set forth in **Section 8.4**. **BioGenerics Inventions covering Inventions under subsection (i)** above shall be included in the BioGenerics Patent Rights; *provided*, *however*, that Inventions related to **[***]** shall be included in the BioGenerics Patent Rights **[***]**.

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(d) Ownership Disputes. The **[***]** shall attempt in good faith to resolve any disputes arising hereunder regarding ownership of Inventions, Patents and any other intellectual property. In the event the **[***]** is unable to resolve such dispute within thirty (30) days after its receipt of notice of the dispute, the dispute resolution procedure set forth in Article 14 (Dispute Resolution) shall apply.

(e) Assignment and Perfection of Interests. Without additional consideration, each Party hereby assigns to the other Party such of its right, title, and interest in and to any Inventions, Patents, and Patent Applications claiming them, and all other intellectual property rights therein, and shall require its sublicensees and Affiliates, and all independent contractors, employees, or agents of such Party, its Affiliates, or its sublicensees to so assign to the other Party such of their right, title, and interest in and to them, as is necessary to effectuate the allocation of right, title, and interest in and to Inventions as set forth in this **Section 8.3.** Each Party shall, and shall cause its sublicensees and Affiliates, and all independent contractors, employees, and agents of such Party, its Affiliates, or its sublicensees to, cooperate with the other Party and take all reasonable additional actions and execute such agreements, instruments, and documents as may be reasonably required to perfect the other Party's right, title, and interest in and to Inventions, Patents, and Patent Applications and other intellectual property rights thereon or therein as such other Party has pursuant to this **Section 8.3.** If a Party is unwilling or unable to execute any such agreements, instruments, and documents, it hereby appoints the other Party as its attorney-in-fact, which shall be coupled with an interest, to execute the same on its behalf. **[***]**.

(f) License. Licensee shall and hereby does grant to BioGenerics the non-exclusive, perpetual, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP, to develop, make, use, sell, offer to sell, and import any Products outside of the Territory.

8.4 Individual Patent Filings. Each Party will, to the maximum extent practicable, strive to separate any claims within Patents and Patent Applications that claim Inventions into separate Patents and Patent Applications consisting of claims that claim solely BioGenerics owned Inventions, solely Licensee owned Inventions, or solely Joint Inventions.

(a) Solely Owned Inventions. BioGenerics shall have sole discretion and responsibility to prepare, file, prosecute, and maintain any and all Patents and Patent Applications solely claiming Inventions within the BioGenerics Patent Rights and any and all other Patents and Patent Applications within the BioGenerics Patent Rights, and shall be responsible for **[***]** proceedings. Licensee shall have sole discretion and responsibility to prepare, file, prosecute, and maintain any and all Patents and Patent Applications solely claiming Inventions within the Licensee Patent Rights, and shall be responsible for **[***]** proceedings. The Parties shall file any such Patent Application outside of the United States before any oral, written, or electronic disclosure of the Inventions claimed therein to maintain the validity of such Patents and Patent Applications. At

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least sixty (60) days prior to the contemplated filing date of any Patent Application in the Territory claiming its solely-owned Invention, each Party shall **[***]**, **[***]**, and **[***]**, and shall **[***]** with respect to such Patent Application. Licensee shall **[***]** pursuant to this **Section 8.4(a)** for Patents and Patent Applications within the Licensee Patent Rights, and BioGenerics shall **[***]** pursuant to this **Section 8.4(a)** for Patents and Patent Applications within the BioGenerics Patent Rights.

(b) Opt-In Rights. If a Party elects, in any country, not to file or not to continue to prosecute and thereby abandon a Patent or Patent Application within the patent rights licensed to the other Party in the Territory, or not to maintain and thereby abandon such a Patent or Patent Application, without the intent to file a continuing or divisional filing or an equivalent thereof or upon advice of patent counsel to optimize the overall patent protection on Products or Process Development, such Party (the **"Opting Out Party"**) shall notify the other Party (the **"Opting In Party"**) not less than ninety (90) days before any relevant deadline, and thereafter such Opting In Party shall have the right, but not the obligation, to pursue, **[***]** preparation, filing, prosecution, and maintenance of such Patent or Patent Application; provided, however, that the Opting In Party provides the Opting Out Party with **[***]** at least thirty (30) days prior to the proposed submission date and such Opting Out Party determines**[***]** that any such submission will not prejudice any other Patents and Patent Applications of such Opting Out Party.

8.5 Joint Patent Filings. With respect to all Patents and Patent Applications claiming Joint Inventions, but not solely owned Inventions, (the **"Joint Patent Rights"**), BioGenerics shall have the first right, but not the obligation, to file, prosecute, maintain, and defend such Joint Patent Rights on behalf of both Parties (the **"Responsible Party"**). At least sixty (60) days prior to the contemplated filing of any Joint Patent Right, BioGenerics shall submit a substantially completed draft of such Joint Patent Right to Licensee for its approval, which shall not be unreasonably withheld, delayed, or conditioned]. Except as set forth in this Section 8.5, below, the Parties shall **[***]**, pursuant to **[***]** (**[***]**). If BioGenerics does not wish to file, prosecute, or maintain any Joint Patent Right or maintain or defend such a Joint Patent Right in a particular country, it shall grant Licensee any necessary authority to file, prosecute, and maintain such Joint Patent Right or maintain or defend such Joint Patent Right in the name of both Parties if Licensee so requests. If either Party elects **[***]**, it shall so notify the other Party, in which case the other Party may proceed with respect to such Joint Patent Right in its own name **[***]**. In such case, the **[***]** shall [***] such Joint Patent Right **[***]**.

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8.6 Defense of Infringement Claims by Third Parties.

(a) In the event of the institution or threatened institution of any suit by a Third Party against Licensee for infringement involving the Development, Manufacture (only if Licensee has exercised the Manufacturing Option), or Commercialization of the Product in the Territory, Licensee shall have the right to defend such suit at its own expense and shall be responsible for all damages incurred as a result thereof. BioGenerics hereby agrees to assist and cooperate with Licensee, at Licensee's reasonable request, and Licensee shall reimburse BioGenerics any reasonable, documented, out-of-pocket costs incurred in connection therewith. Licensee shall solely control the defense of such a claim and shall also have the right to control settlement of such claim; *provided, however*, that any such settlement shall not adversely affect BioGenerics' rights or interests without BioGenerics' prior written consent, which shall not be unreasonably withheld, delayed, or conditioned. Subject to such control, BioGenerics may join any defense and settlement pursuant to this **Section 8.6** with its own counsel at its sole cost.

(b) In the event of the institution or threatened institution of any suit by a Third Party against BioGenerics for infringement involving the development, manufacture, or commercialization of the Product in the Territory, BioGenerics shall have the right to defend such suit at its own expense and shall be responsible for all damages incurred as a result thereof. Licensee hereby agrees to assist and cooperate with BioGenerics, at BioGenerics' reasonable request, and BioGenerics shall reimburse Licensee any reasonable, documented, out-of-pocket costs incurred in connection therewith. BioGenerics shall solely control the defense of such a claim and shall also have the right to control settlement of such claim; provided, however, that any such settlement shall not adversely affect Licensee's rights or interests without Licensee's prior written consent, which shall not be unreasonably withheld, delayed, or conditioned. Subject to such control, Licensee may join any defense and settlement pursuant to this **Section 8.6** with its own counsel at its sole cost.

(c) If such Third Party asserts that a patent or other intellectual property right owned by it is infringed by the manufacture or commercialization of the Product in the Territory by both of the Parties, then the Parties shall meet and confer, and both Parties shall have the sole right to defend against any such assertions with respect to its activities at its respective sole cost. Regardless of which Party is the defending Party (or if both Parties are a defending Party), the defending Party shall seek and reasonably consider the other Party's comments before determining the strategy for such matter. Without limiting the foregoing, the defending Party shall keep the other Party advised of all material communications and actual and prospective filings or submissions regarding such action, and shall provide the other Party copies of and an opportunity to review and comment on any such communications, filings and submissions. Each Party shall keep the other reasonably informed of all claims and actions governed by this **Section 8.6**.

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8.7 Enforcement Actions Against Third Parties.

(a) If either Party learns of an infringement, unauthorized use, misappropriation, ownership claim, threatened infringement, or other similar claim by a Third Party with respect to the BioGenerics Patent Rights in the Territory, such Party shall promptly notify the other Party in writing and shall promptly provide such other Party with available evidence of such infringement or other such claim.

(b) BioGenerics shall have the first right, but not the obligation, to institute an infringement suit or take other appropriate action against such Third Party in the Territory. If BioGenerics does not secure actual cessation of such infringement or institute an infringement proceeding (which may include sending a cease and desist letter if appropriate), against an offending Third Party with respect to infringement of such BioGenerics Patent Rights as a result of the development, manufacture, commercialization or use of a product that is competitive with a Product in the Field in the Territory (**"Enforcement Action"**), BioGenerics shall notify Licensee of such determination as soon as reasonably practicable but in any case no later than sixty (60) days of learning of such infringement. Upon receipt of such notice or absent such notice within such sixty (60) days, Licensee shall have the right at its sole discretion to institute an Enforcement Action in the name of either or both Parties. Each Party shall execute all necessary and proper documents, take such actions as shall be appropriate to allow the other Party to institute and prosecute such infringement actions and shall otherwise cooperate in the institution and prosecution of such actions (including without limitation consenting to being named as a nominal party thereto).

(c) The costs and expenses of any such Enforcement Action (including without limitation fees of attorneys and other professionals) shall be borne **[***]**. Any award paid by Third Parties as a result of such an Enforcement Action (whether by way of settlement or otherwise) shall be applied **[***]**.

9. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other, as of the Effective Date, as follows:

(a) such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement;

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(b) the execution and delivery of this Agreement and the performance by such Party of the transactions contemplated hereby have been duly authorized by all necessary corporate action and will not violate (i) such Party's certificate of incorporation or bylaws, (ii) any agreement, instrument or contractual obligation to which such Party is bound in any material respect, (iii) any requirement of any Applicable Laws, or (iv) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party;

(c) this Agreement is a legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms and conditions;

(d) such Party is not under any obligation, contractual or otherwise, to any person or entity that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder;

(e) to such Party's knowledge, all of its employees, officers, contractors, and consultants have executed agreements requiring assignment to such Party of all inventions made during the course of and as a result of their association with such Party and obligating each such employee, officer, contractor, and consultant to maintain as confidential the Confidential Information of such Party; and

(f) neither such Party, nor any of its employees, officers, subcontractors or consultants who have rendered or will render services relating to the Products: (i) has ever been debarred or is subject or debarment or convicted of a crime for which an entity or person could be debarred under 21 U.S.C. Section 335a or its foreign equivalent or (ii) has ever been under indictment for a crime for which a person or entity could be debarred under any such provision.

9.2 Additional Representations, Warranties, and Covenants of BioGenerics. BioGenerics hereby represents, warrants, and covenants to Licensee that:

(a) as of the Effective Date, BioGenerics is entitled to grant the rights and licenses granted to Licensee as set forth in this Agreement;

(b) BioGenerics has not granted in the Territory as of the Effective Date, and will not grant during the Term, any right or license in or to any of the BioGenerics Patent Rights in the Territory that is in conflict with the rights or licenses granted to Licensee under this Agreement;

(c) to the actual knowledge of BioGenerics it has not granted in the Territory as of the Effective Date, and will not knowingly grant during the Term, any right or license in or to any of the BioGenerics Know-How in the Territory that is in conflict with the rights or licenses granted to Licensee under this Agreement;

(d) BioGenerics has not granted any liens or security interests to the BioGenerics Know-How or BioGenerics Patent Rights other than under any licenses or sublicenses;

(e) all BioGenerics Know-How and BioGenerics Patent Rights existing as of the Effective Date are Controlled by BioGenerics;

(f) BioGenerics has not received, with respect to the BioGenerics Know-How or BioGenerics Patent Rights, any written notice of infringement or misappropriation or any other written communication relating to an alleged infringement or misappropriation of any patent rights or any know-how Controlled by a Third Party;

(g) All inventors named in the BioGenerics Patent Rights have assigned their entire right, title and interest in and to the inventions claimed in such BioGenerics Patent Rights to BioGenerics, and to the actual knowledge of BioGenerics, the inventors listed are correct;

(h) BioGenerics has not received any claims or assertions in writing regarding the inventorship of the BioGenerics Patent Rights alleging that additional or alternative inventors ought to be listed; and

(i) [***].

9.3 Additional Representations, Warranties, and Covenants of Licensee. Licensee hereby represents, warrants, and covenants to BioGenerics that:

(a) as of the Effective Date, Licensee is entitled to grant the rights and licenses granted to BioGenerics as set forth in this Agreement; and

(b) Licensee has not granted in the Territory as of the Effective Date, and will not grant during the Term, any right or license in or to any of the Licensee Patent Rights or Grant-Back IP that is in conflict with the rights or licenses granted to BioGenerics under this Agreement.

9.4 Additional Covenants of the Parties (a). Each Party hereby covenants to the other Party that:

(a) if, during the Term such Party has reason to believe that it or any of its employees, officers, subcontractors, or consultants rendering services relating to the Product: (a) is or will be debarred or convicted of a crime under 21 U.S.C. Section 335a or its foreign equivalent, or (b) is or will be under indictment under any such provision, then such Party shall immediately notify the other Party in writing; and

(b) all of such Party's employees and officers involved in development of the Products shall be obligated to assign to such Party all Inventions and to maintain as confidential any and all Confidential Information.

9.5 Covenant Not to Challenge Patents. Licensee hereby covenants: (a) not to challenge the validity, scope, or enforceability of or otherwise oppose any Patent or Patent Application included in the BioGenerics Patent Rights or any foreign counterparts thereof; (b) that it shall include in all of its sublicense agreements the obligation binding on the Sublicensee under such sublicense agreement not to challenge the validity, scope, or enforceability of or otherwise oppose any such Patent or Patent Application; (c) that is shall include provisions in all sublicense agreements providing that, if the Sublicensee challenges the validity, scope, or enforceability of or otherwise opposes any such Patent or Patent Application, Licensee may terminate its sublicense agreement with such Sublicensee; and (d) if any such Sublicensee challenges the validity, scope, or enforceability of or otherwise opposes any such Patent or Patent Application, Licensee shall terminate such sublicense agreement, and such Sublicensee shall no longer have any rights under any such Patent or Patent Application. In the event that all or any portion of this **Section 9.5** is invalid, illegal, or unenforceable, then the Parties will use their best efforts to replace the invalid, illegal, or unenforceable provision(s) with valid, legal, and enforceable provision(s).

10. INDEMNIFICATION AND INSURANCE.

10.1 BioGenerics' Right to Indemnification. Licensee shall indemnify, defend, and hold harmless BioGenerics and its Affiliates, and their respective officers, directors, employees, agents, and their respective successors, heirs and assigns and representatives (the **"BioGenerics Indemnitees"**), from and against any and all damages, losses, suits, proceedings, liabilities, costs (including without limitation reasonable legal expenses, costs of litigation and reasonable attorney's fees), or judgments, whether for money or equitable relief, of any kind (**"Damages"**) resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of Licensee, its Affiliates, and/or its Sublicensees and its or their respective directors, officers, employees, and agents, in connection with Licensee's performance of its obligations or exercise of its rights under this Agreement; (b) any breach by Licensee of any obligation, representation, warranty, or covenant in this Agreement; (c) the Development, Commercialization, transfer, importation or exportation, Manufacture (only if manufactured by Licensee in the Territory), labeling, handling or storage, or use of, or exposure to, any Product by or for Licensee or any of its Affiliates, Sublicensees, agents, and contractors in the Territory; and (d) the failure to comply with Applicable Law by Licensee, or any of its Affiliates, Sublicensees, agents, or subcontractors; except in any such case for Damages to the extent reasonably attributable to any BioGenerics Indemnitee (i) having committed an act or acts of negligence, recklessness, or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which BioGenerics is found to have an indemnity obligation under **Section 10.2 Licensee's Right to Indemnification)**.

10.2 Licensee's Right to Indemnification. BioGenerics shall indemnify, defend, and hold harmless Licensee and its Affiliates, and their respective officers, directors, employees, agents, licensors, and their respective successors, heirs and assigns and representatives (the "Licensee Indemnitees"), from and against any and all Damages resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of BioGenerics and its Affiliates and its or their respective directors, officers, employees, and agents, in connection with BioGenerics' performance of its obligations or exercise of its rights under this Agreement; (b) any breach by BioGenerics of any obligation, representation, warranty, or covenant set forth in this Agreement; (c) the development, commercialization, transfer, importation or exportation, Manufacture, labeling, handling or storage, or use of, or exposure to, any Product by BioGenerics or any of its Affiliates, Sublicensees, agents, and contractors outside of the Territory; (d) [***] by BioGenerics or any of its Affiliates, sublicensees, agents, and contractors inside or outside of the Territory, and (e) the failure to comply with Applicable Laws by BioGenerics, or any of its Affiliates, agents, or subcontractors; except in any such case for Damages to the extent reasonably attributable to any Licensee Indemnitee (i) having committed an act or acts of negligence, recklessness or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which Licensee is found to have an indemnity obligation under **Section 10.1 (BioGenerics' Right to** Indemnification).

10.3 Process for Indemnification. A claim to which indemnification applies under **Section 10.1 (BioGenerics' Right to Indemnification)** or **Section 10.2 (Licensee's Right to Indemnification)** shall be referred to herein as an **"Indemnification Claim"**. If a party (collectively, the **"Indemnitee"**) intends to claim indemnification under **Section 10.1** or **Section 10.2**, the Indemnitee shall notify the other Party (the **"Indemnitor"**) in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The Indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee; *provided*, *however*, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. If the Indemnitor does not assume the defense of the Indemnification Claim as described in this **Section 10.3** above, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner that would have an

adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld, delayed, or conditioned. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee, which information shall be subject to **Article 11 (CONFIDENTIALITY)**.

10.4 Insurance. During the Term and for **[***]** years thereafter, each Party shall maintain, at its sole expense, such types and amounts of insurance coverage as is appropriate and customary in the biopharmaceutical industry in light of the nature of the activities to be performed by such Party hereunder.

11. CONFIDENTIALITY.

11.1 Confidentiality; Exceptions. Except to the extent expressly authorized by this Article 11 or otherwise agreed in writing, each Party hereby agrees that, during the Term and for ten (10) years thereafter, it shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as explicitly provided for in this Agreement any confidential and proprietary information or materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party or otherwise received or accessed by a Party under this Agreement **[***]**, including, but not limited to, any trade secrets, know-how, Product specifications, formulae, processes, techniques and information relating to a Party's past, present and future marketing, financial, and research and development activities for any product of the other Party and the pricing thereof (collectively, **"Confidential Information"**). Notwithstanding the foregoing, any Confidential Information that constitutes a trade secret shall not be subject to such ten (10) year term, but shall continue to be subject to the obligations of confidentiality and non-use set forth in this Agreement for as long as such Confidential Information remains a trade secret under New York law (including New York's version of the Uniform Trade Secrets Act if and when adopted). The terms and conditions of this Agreement shall be deemed to be Confidential Information of each Party. In addition, and notwithstanding the foregoing, if, under **Article 8 (INTELLECTUAL PROPERTY AND INVENTIONS)**, Information relating specifically to inventions and discoveries are to be owned by one Party, such Information shall be deemed to be Confidential Information of such Party, even if such Information is initially generated and disclosed by the other Party. Notwithstanding the foregoing, Confidential Information shall not include that portion of Information or materials that a Party can demonstrate by contemporaneous written records:

(a) is already lawfully known to such Party, other than under an obligation of confidentiality at the time of disclosure by the other Party as evidenced by written records kept in the ordinary course of business, or other documentary proof of actual use by such Party;

(b) is generally available to the public or otherwise part of the public domain at the time of its disclosure to such Party;

(c) becomes generally available to the public or otherwise part of the public domain after its disclosure to such Party and other than through any act or omission of such Party or its Affiliates in violation of this Agreement;

(d) is independently developed by such Party as demonstrated by documented evidence prepared contemporaneously with such independent development; or

(e) is lawfully disclosed to such Party, other than under an obligation of confidentiality, by a Third Party who had no obligation not to disclose such information to others;

[***].

11.2 Degree of Care; Permitted Use. Each Party shall take reasonable steps to maintain the confidentiality of the Confidential Information of the other Party, which steps shall be no less protective than those steps that such Party takes to protect its own Information and materials of a similar nature, but in no event less than a reasonable degree of care. Neither Party shall use or permit the use of any Confidential Information of the other Party except for the purposes of carrying out its obligations or exercising its rights under this Agreement, and neither Party shall copy any Confidential Information of the other Party except as may be reasonably useful or necessary for such purposes. All Confidential Information of a Party, including without limitation all copies and derivations thereof, is and shall remain the sole and exclusive property of the disclosing Party and subject to the restrictions provided for herein. Neither Party shall disclose any Confidential Information of the other Party other than to **[***]**.

11.3 Authorized Disclosure. **Notwithstanding Section 11.1 (Confidentiality; Exceptions)** and **Section 11.2 (Degree of Care; Permitted Use)**, each Party may disclose Confidential Information of other Party:

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) in its publicly-filed financial statements or other public statements pursuant to Applicable Laws, regulations, and stock exchange rules or otherwise disclosed pursuant to Applicable Law; provided, that **[***]**;

(b) to the extent it is required to be disclosed in response to a valid order by a court or other governmental body and provided that **[***]**;

(c) to the extent it is required to be disclosed in connection with any legal or regulatory requirements or obligations, including without limitation SEC filings or Regulatory Filings, provided that **[***]**;

(d) to Regulatory Authorities to facilitate the issuance of Regulatory Approvals for a Product; provided that reasonable measures shall be taken to assure confidential treatment of such Confidential Information;

(e) [***]

(f) to Third Parties in connection with such Party's efforts to secure financing or enter into strategic partnerships, **[***]**.

11.4 Publications.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) In the event either Party proposes a publication or presentation to a Third Party that includes Confidential Information relating to a Product in the Field in the Territory, or which otherwise includes Confidential Information of the other Party, such Party shall first submit to **[***]** an early draft of such publication or presentation, whether they are to be presented orally or in written form, prior to submission for publication or presentation. **[***]** shall review such proposed publication or presentation in order to avoid the unauthorized disclosure of its Confidential Information and to preserve the patentability of Inventions and shall, as soon as reasonably possible, inform such Party if its proposed publication or presentation:

(i) contains Confidential Information of the other Party, in which case such Party shall delete such Confidential Information from its proposed publication or presentation; or

(ii) could be expected to have a material adverse effect on any Patent or Information of the other Party, then such Party shall delay such proposed publication or presentation sufficiently long to permit the timely preparation and first filing of Patent Application(s) on the Information involved.

(b) This **Section 11.4** shall not apply to any disclosures pursuant to **Section 11.3 (Authorized Disclosure)**.

11.5 Press Release. Neither Party shall issue any press release relating to this Agreement without obtaining the other Party's prior written approval, which approval shall not be unreasonably withheld, delayed, or conditioned.

11.6 Irreparable Injury. The Parties acknowledge that either Party's breach of this Article 11 would cause the other Party irreparable injury for which it would not have an adequate remedy at law. In the event of a breach, the nonbreaching Party may seek injunctive relief, whether preliminary or permanent, in addition to any other remedies it may have at law or in equity[***].

12. TERM AND TERMINATION.

12.1 Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated or extended as specifically provided in this **Article 12**, shall continue in effect on a Product-by-Product and country-by-country basis until the tenth (10th) anniversary of the receipt of Regulatory Approval for the applicable Product in each country in the Territory (the **"Term"**).

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

12.2 Extension of Term. If this Agreement has not been earlier terminated with respect to a particular country in the Territory and Licensee is Manufacturing a Product in such country pursuant to **Section 5.2 (Licensee Manufacturing Option)** prior to the tenth (10th) anniversary of the receipt of Regulatory Approval for such Product for such country, at Licensee's sole and exclusive option, the Term shall be renewed for an additional three (3) years with respect to such country (the **"Renewal Period**"). Thereafter, at Licensee's sole and exclusive option, for as long as this Agreement has not been earlier terminated with respect to a particular country in the Territory and Licensee is still Manufacturing a Product in such country pursuant to **Section 5.2 (Licensee Manufacturing Option)**, the Term shall continue to be renewed for additional Renewal Periods with respect to such country. If Licensee has not exercised its Manufacturing Option, then the Term may only be extended for additional three (3) years periods on a Product-by-Product and country-by-country basis, upon mutual written consent of the Parties, based upon the JSC's approval of a Commercialization Plan for the applicable Product for the applicable country in the year immediately preceding the tenth (10th) anniversary of the receipt of Regulatory Approval for such Product for such country or in the year immediately preceding the third year of a Renewal Period.

12.3 Termination by Licensee. Licensee shall have the right to terminate this Agreement on a Product-by-Product and country-by-country basis only as set forth in **Exhibit 12.3 (Licensee Opt-Out Rights)**.

12.4 Termination by BioGenerics. BioGenerics shall have the right to terminate this Agreement, at any time, immediately upon written notice to Licensee in the event that Licensee or any of its Affiliates challenges in a court of competent jurisdiction, the validity, scope or enforceability of, or otherwise opposes, any Patent included in the BioGenerics Patent Rights. If a Sublicensee of Licensee or its Affiliate challenges the validity, scope or enforceability of or otherwise opposes any Patent included in the BioGenerics Patent Rights under which such Sublicensee is sublicensed, then Licensee or its Affiliate, as applicable, shall, upon written notice from BioGenerics, terminate such sublicense. Licensee and each of its Affiliates shall include without limitation provisions in all agreements under which a Third Party obtains a license under any Patent included in the BioGenerics Patent Rights providing that, if the Sublicensee challenges the validity or enforceability of or otherwise opposes any such Patent under which the Sublicensee is sublicensed, then Licensee may terminate such sublicense agreement with such Sublicensee, and Licensee shall, upon request by BioGenerics, enforce such right if such Sublicensee breaches such restriction.

12.5 Termination for Material Breach. If either Party believes the other Party is in breach of this Agreement, it may give notice of such breach to the other Party, which other Party shall have sixty (60) days in which to remedy any such material breach, or thirty (30) days in the case of breach (whether material or not) of any payment obligation hereunder; provided, however, if the breach (excluding payment obligations) cannot be reasonably cured within such time period, Licensee shall not be in breach or default of this Agreement if Licensee commences to cure the breach within such time period and in good faith continues to cure the breach, but in no event shall such time period be extended beyond one hundred eighty (180) days. If such alleged breach is not remedied in the time period set forth above, the nonbreaching Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement upon written notice to the other Party. In the event of a dispute regarding any payments due and owing hereunder, all undisputed amounts shall be paid when due, and the balance, if any, shall be paid promptly after settlement of the dispute, including without limitation any accrued interest thereon.

12.6 Termination upon Insolvency. To the extent permitted under Applicable Law, either Party may terminate this Agreement if, at any time, the other Party (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or of its assets, (b) proposes a written agreement of composition or extension of its debts, (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within forty-five (45) days after the filing thereof, (d) proposes or is a party to any dissolution or liquidation, or (e) makes an assignment for the benefit of its creditors.

12.7 Consequences of Expiration or Termination.

(a) Consequences of Expiration or Termination of this Agreement with Respect to One Product in a Country but Not in the Entire Territory. Upon expiration of this Agreement under **Section 12.1 (Term)** with respect to a Product in a country (but not all countries in a Territory), or early termination of this Agreement pursuant to Section 12.3 **(Termination by Licensee)** with respect to a Product in a country (but not all countries in a Territory):

(i) the licenses granted to Licensee pursuant to **Section 2.1 (License Grants)** and **Section 6.3 (Trademarks)** with respect to such Product shall terminate in such terminated or expired country, except as otherwise necessary to conduct the activities expressly set forth in **Section 12.7(a)(ii)** and/or **Section 12.7(a)(viii)**;

(ii) promptly after the effective date of such termination or expiration, Licensee shall commence winding down its Development, Commercialization, and Manufacturing (subject to **Section 12.7(a)(viii)**) activities for such Product for such country under the oversight of the JSC, and shall use best efforts to complete any and all such Development, Commercialization, and Manufacturing (subject to **Section 12.7(a)(viii)**) activities within three (3) months after the effective date of such termination or expiration;

(iii) Licensee shall disclose to BioGenerics all Inventions Controlled by Licensee relating to such Product, including without limitation any Inventions relating to or useful for the development, manufacturing, or commercialization of such Product;

(iv) Licensee shall and hereby does grant to BioGenerics, effective as of the effective date of such termination or expiration, the exclusive, perpetual, royalty-bearing, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP to develop, make, use, sell, offer to sell, and import such Product in such country. Any royalties due under this **Section 12.7(a)(iv)** shall be paid in accordance with **Exhibit 12.3(D) (Additional Obligations)** in the case of Licensee opt-out pursuant to **Section 12.3** or **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)**, in the case of expiration pursuant to **Section 12.1,** in either case, with respect to Net Sales by BioGenerics, its Affiliates or sublicensees for such expired or terminated Product in the expired or terminated country in the Territory, as the case may be;

(v) Licensee shall and hereby does assign, at its cost, and shall cause its Affiliates (as applicable) to assign, to BioGenerics, effective as of the effective date of such termination or expiration, all of Licensee's (or its Affiliate's) rights, title and interests in and to the Product Trademark for such Product and all relevant applications and registrations, and all intellectual property rights and other rights and goodwill with respect thereto in such terminated or expired country. Each Party shall execute and deliver or shall cause its Affiliates (as applicable) to execute and deliver to the other Party all documents that are necessary to fulfill the obligations set forth in this **Section 12.7(a)(v)**;

(vi) Licensee shall assign to or permit access by BioGenerics or BioGenerics' designee its entire right in all clinical and related study data based on use or research on such Product and all Regulatory Filings and Regulatory Approvals relating to such Product in such terminated or expired country, and shall provide assistance to BioGenerics or its designee to become the holder of such Regulatory Approvals;

(vii) Licensee shall promptly notify BioGenerics of any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for any and all Products terminated. At BioGenerics' request, which request shall be made within three (3) months after the expiration or termination of this Agreement, Licensee shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates to assign) to BioGenerics, and BioGenerics shall have the right, but not the obligation, to assume, any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for such Product in such terminated or expired country, including without limitation agreements with contract research organizations, clinical sites and investigators, that relate to Clinical Trials in support of Regulatory Approvals in such country(ies), unless such agreement (A) expressly prohibits such assignment, (B) covers clinical trials for products in addition to the Products, (C) covers Products in a country or countries in respect of which this Agreement has not been terminated or expired, or (D) is required to be maintained by Licensee in order for Licensee to comply with its obligations to supply Products during any Additional Supply Period set forth in **Exhibit 12.3 (Licensee Opt-out Rights)**, provided that Licensee shall utilize Commercially Reasonable Effort to assign such agreement to BioGenerics promptly after such Additional Supply Period. In all cases (A)–(D), Licensee shall cooperate with BioGenerics in all reasonable respects to facilitate the execution of a new agreement between the BioGenerics and the Third Party; and

(viii) if Licensee is Manufacturing such Product for such terminated or expired country pursuant to **Section 5.2 (Licensee Manufacturing Option)** (which Manufacturing for purposes of this **Section 12.7(a) [***]**), prior to the effective date of such termination or expiration, then Licensee shall continue to supply BioGenerics in a timely manner with its requirements for such Product in such country during any Additional Supply Period set forth in **Exhibit 12.3 (Licensee Opt-out Rights)**, and promptly following the effective date of such termination or expiration, Licensee shall provide to BioGenerics any and all documentation and/or data Controlled by Licensee as of the effective date of such termination or expiration relating to the Manufacture of such Product for such terminated or expired country.

(b) Consequences of Expiration or Termination of this Agreement with Respect to One Product in Entire Territory. Upon expiration of this Agreement under **Section 12.1 (Term)** with respect to a Product in all countries in a Territory (but not this Agreement in its entirety), or early termination of this Agreement pursuant to **Section 12.3 (Termination by Licensee)** with respect to a Product in all countries in a Territory (but not this Agreement in its entirety):

(i) the licenses granted to Licensee pursuant to **Section 2.1 (License Grants)** and **Section 6.3 (Trademarks)** with respect to such Product shall terminate in the Territory, except as otherwise necessary to conduct the activities expressly set forth in **Section 12.7(b)(iii)** and/or **Section 12.7(b)(ix)**;

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(ii) Licensee shall return to BioGenerics within three (3) months of the effective date of such expiration or termination any and all BioGenerics Know-How or Confidential Information of BioGenerics transferred to Licensee under this Agreement, that relates to such Product and not to Products for which this Agreement has not expired or been terminated;

(iii) promptly after the effective date of such termination or expiration, Licensee shall commence winding down its Development, Commercialization, and Manufacturing (subject to **Section 12.7(b)(ix)**) activities for such Product under the oversight of the JSC, and shall use best efforts to complete any and all such Development, Commercialization, and Manufacturing (subject to **Section 12.7(b)(ix)**) activities within three (3) months after the effective date of such termination or expiration;

(iv) Licensee shall disclose to BioGenerics all Inventions Controlled by Licensee relating to such Product, including without limitation any Inventions relating to or useful for the development, manufacturing, or commercialization of such Product;

(v) Licensee shall and hereby does grant to BioGenerics, effective as of the effective date of such termination or expiration, the exclusive, worldwide, royalty-bearing, perpetual, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP to develop, make, use, sell, offer to sell, and import such Product in the Territory. Any royalties due under this **Section 12.7(b)(v)** shall be paid in accordance with **Exhibit 12.3(D) (Additional Obligations)** in the case of Licensee opt-out pursuant to **Section 12.3** or **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)**, in the case of expiration pursuant to **Section 12.1,** in either case, with respect to Net Sales by BioGenerics, its Affiliates or sublicensees for such expired or terminated Product, as the case may be, in the Territory;

(vi) Licensee shall and hereby does assign, at its cost, and shall cause its Affiliates (as applicable) to assign, to BioGenerics, effective as of the effective date of such termination or expiration, all of Licensee's (or its Affiliate's) rights, title and interests in and to the Product Trademark for such Product and all relevant applications and registrations, and all intellectual property rights and other rights and goodwill with respect thereto. Each Party shall execute and deliver or shall cause its Affiliates (as applicable) to execute and deliver to the other Party all documents that are necessary to fulfill the obligations set forth in this **Section 12.7(b)(vi)**;

(vii) Licensee shall assign to BioGenerics or BioGenerics' designee its entire right in all clinical and related study data based on use or research on such Product and all Regulatory Filings and Regulatory Approvals relating to such Product, and shall provide assistance to BioGenerics or its designee to become the holder of such Regulatory Approvals;

(viii) Licensee shall promptly notify BioGenerics of any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for any and all Products terminated. At BioGenerics' request, which request shall be made within three (3) months after the expiration or termination of this Agreement, Licensee shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates to assign) to BioGenerics, and BioGenerics shall have the right, but not the obligation, to assume, any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for such Product, including without limitation agreements with contract research organizations, clinical sites and investigators, that relate to Clinical Trials in support of Regulatory Approvals, unless such agreement (A) expressly prohibits such assignment, (B) covers Clinical Trials for products in addition to the Products, or (C) is required to be maintained by Licensee in order for Licensee to comply with its obligations to supply Products during any Additional Supply Period set forth in **Exhibit 12.3 (Licensee Opt-out Rights)**, provided that Licensee shall utilize Commercially Reasonable Effort to assign such agreement to BioGenerics promptly after such Additional Supply Period. In all cases (A)–(C), Licensee shall cooperate with BioGenerics in all reasonable respects to facilitate the execution of a new agreement between the BioGenerics and the Third Party; and

(ix) if Licensee is Manufacturing such Product pursuant to **Section 5.2 (Licensee Manufacturing Option)** (which Manufacturing for purposes of this **Section 12.7(b) [***]**), prior to the effective date of such termination or expiration, then Licensee shall continue to supply BioGenerics in a timely manner with its requirements for such Product in the Territory during any Additional Supply Period set forth in **Exhibit 12.3 (Licensee Opt-out Rights)**, and promptly following the effective date of such termination or expiration, Licensee shall provide to BioGenerics any and all documentation and/or data Controlled by Licensee as of the effective date of such termination or expiration relating to the Manufacture of such Product.

(c) Consequences of Expiration or Termination of this Agreement in its Entirety. Upon expiration of this Agreement under **Section 12.1 (Term)** with respect to all Products in all countries in the Territory, or early termination of this Agreement in its entirety pursuant to **Section 12.4 (Termination by BioGenerics)**, **Section 12.5 (Termination for Material Breach)**, or **Section 12.6 (Termination upon Insolvency)**:

(i) the licenses granted to Licensee pursuant to **Section 2.1 (License Grants)** and **Section 6.3 (Trademarks)** shall terminate, except as otherwise necessary to conduct the activities expressly set forth in **Section 12.7(c)(iii)** and/or **Section 12.7(c)(ix)**;

(ii) Licensee shall return to BioGenerics within three (3) months of the effective date of such expiration or termination any and all BioGenerics Know-How or Confidential Information of BioGenerics transferred to Licensee under this Agreement;

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(iii) promptly after the effective date of such termination or expiration, Licensee shall commence winding down its Development, Commercialization, and Manufacturing (subject to **Section 12.7(c)(ix)**) activities for all Products under the oversight of the JSC, and shall use best efforts to complete any and all such Development, Commercialization, and Manufacturing (subject to **Section 12.7(c)(ix)**) activities within three (3) months after the effective date of such termination or expiration;

(iv) Licensee shall disclose to BioGenerics all Inventions Controlled by Licensee, including without limitation any Inventions relating to or useful for the development, manufacturing, or commercialization of any and all Products;

(v) Licensee shall and hereby does grant to BioGenerics, effective as of the effective date of such termination or expiration, the exclusive, worldwide, royalty-bearing (only with respect to expiration pursuant to **Section 12.1 (Term)** or termination by Licensee for BioGenerics' uncured material breach pursuant to **Section 12.5 (Termination for Material Breach)**), perpetual, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP, to develop, make, use, sell, offer to sell, and import any and all Products in or for the Territory. Any royalties due under this Section 12.7(c)(v) shall be paid solely in accordance with **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)**, and solely in the case of (i) expiration pursuant to **Section 12.1** or (ii) termination by Licensee for BioGenerics' uncured material breach pursuant to **Section 12.5**, in both cases with respect to Net Sales by BioGenerics, its Affiliates, or sublicensees of Products in the Territory;

(vi) Licensee shall and hereby does assign, at its cost, and shall cause its Affiliates (as applicable) to assign, to BioGenerics, effective as of the effective date of such termination or expiration, all of Licensee's (or its Affiliate's) rights, title and interests in and to any and all Product Trademarks and all relevant applications and registrations, and all intellectual property rights and other rights and goodwill with respect thereto. Each Party shall execute and deliver or shall cause its Affiliates (as applicable) to execute and deliver to the other Party all documents that are necessary to fulfill the obligations set forth in this **Section 12.7(c)(vi)**;

(vii) Licensee shall assign to BioGenerics or BioGenerics' designee its entire right in all clinical and related study data based on use or research on any and all Products and all Regulatory Filings and Regulatory Approvals relating to any and all Products, and shall provide assistance to BioGenerics or its designee to become the holder of such Regulatory Approvals;

(viii) Licensee shall promptly notify BioGenerics of any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for any and all Products terminated. At BioGenerics' request, which request shall be made within three (3) months after the expiration or termination of this Agreement, Licensee shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates to assign) to BioGenerics, and BioGenerics shall have the right, but not the obligation, to assume, any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Manufacturing activities for any and all Products, including without limitation agreements with contract research organizations, clinical sites and investigators, that relate to Clinical Trials in support of Regulatory Approvals, unless such agreement (A) expressly prohibits such assignment, (B) covers clinical trials for products in addition to the Products, or (C) is required to be maintained by Licensee in order for Licensee to comply with its obligations to supply Products during any Additional Supply Period set forth in **Exhibit 12.3 (Licensee Opt-out Rights)**, provided that Licensee shall **[***]**. In both cases (A)–(C), Licensee shall cooperate with BioGenerics in all reasonable respects to facilitate the execution of a new agreement between the BioGenerics and the Third Party; and

(ix) except with respect to a termination of the Agreement by Licensee under **Section 12.5 (Termination for Material Breach)** due to BioGenerics' uncured material breach, if Licensee is Manufacturing any Products pursuant to **Section 5.2 (Licensee Manufacturing Option)** (which Manufacturing for purposes of this **Section 12.7(c) [***]**), prior to the effective date of such termination or expiration, and in order for BioGenerics to smoothly continue the commercialization of Products, then Licensee shall, for a maximum period of two (2) years from the effective date of such termination or expiration, supply BioGenerics in a timely manner with its requirements for any and all such Products in the Territory. BioGenerics shall **[***]**. Additionally, promptly following the effective date of such termination or expiration, Licensee shall provide to BioGenerics any and all documentation and/or data that Controlled by Licensee as of the effective date of termination relating to the Manufacture of such Products;

(d) Expiration or termination of this Agreement for any reason shall not (i) release any Party from any obligation that has accrued prior to the effective date of such expiration or termination (including without limitation the obligation to pay amounts accrued and due under this Agreement prior to the effective date of such expiration or termination but that are unpaid or become payable thereafter (including without limitation any payments then accrued because the event has occurred but the payment is not yet due)), (ii) preclude any Party from claiming any other damages, compensation, or relief that it may be entitled to upon such expiration or termination, or (iii) terminate any right to obtain performance of any obligation provided for in this Agreement that shall survive expiration or termination

(e) Upon expiration of this Agreement under **Section 12.1 (Term)**, (i) with respect to a Product in a country (but not all countries in a Territory) under **Section 12.7(a)**, (ii) with respect to a Product in all countries in a Territory (but not this Agreement in its entirety) under **Section 12.7(b)**, or (iii) with respect to all Products in all countries in the Territory under **Section 12.7(c)**; or upon termination of the Agreement by Licensee due to BioGenerics' uncured material breach under **Section 12.5 (Termination for Material Breach)**, with respect to a Product in a particular country or all countries, or with respect to all Products in all countries in the Territory, as the case may be, BioGenerics shall pay a residual royalty to Licensee only as set forth in **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)**.

12.8 General Surviving Obligations. The rights and obligations set forth in this Agreement shall extend beyond the expiration or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge. In the event of expiration or termination of this Agreement for any reason, the following provisions shall survive in addition to others specified in this Agreement to survive in such event: **Section 2.1(c) (Generic Know-How License to Licensee)**, **Section 2.4 (No Implied Rights or Licenses; Retained Rights)**, **Section 4.9 (Notice of Communication with Regulatory Authorities)**, **Section 4.10 (Trial Master File)**, **Section 8.1 (Existing Intellectual Property)**, **Section 8.2 (Disclosure)**, **Section 8.3 (Ownership of Inventions)**, **Section 8.4 (Individual Patent Filings)**, **Section 8.5 (Joint Patent Filings)**, **Section 8.6 (Defense of Infringement Claims by Third Parties)**, **Section 12.7 (Consequences of Expiration or Termination)** (as applicable), this **Section 12.8**, **Exhibit 12.3 (Licensee Opt-out Option)** (as applicable), **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)**, **Article 1 (DEFINITIONS)**, **Article 10 (INDEMNIFICATION AND INSURANCE)**, **Article 11 (CONFIDENTIALITY)** (for the period set forth in **Section 11.1 (Confidentiality; Exceptions)**), **Article 13 (LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTY)**, **Article 14 (DISPUTE RESOLUTION)**, and **Article 15 (MISCELLANEOUS)**.

13. LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTY.

13.1 LIMITATION OF LIABILITY. EXCEPT IN THE CASE OF A BREACH OF **ARTICLE 11 (CONFIDENTIALITY)**, AND WITHOUT LIMITING THE PARTIES' OBLIGATIONS UNDER **ARTICLE 10 (INDEMNIFICATION AND INSURANCE)**, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES RESULTING FROM LOSS OF USE, LOSS OF PROFITS, INTERRUPTION OR LOSS OF BUSINESS, OR OTHER ECONOMIC LOSS) ARISING OUT OF THIS AGREEMENT OR WITH RESPECT TO A PARTY'S PERFORMANCE OR NON-PERFORMANCE HEREUNDER.

13.2 DISCLAIMER OF WARRANTY. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY PROVIDES ANY WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, REGARDING THE PRODUCTS USED IN PRECLINICAL STUDIES OR CLINICAL TRIALS OR FOR COMMERCIAL USE, AND EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS AND IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND FREEDOM FROM INFRINGEMENT OF THIRD PARTY RIGHTS.

14. DISPUTE RESOLUTION.

14.1 Exclusive Dispute Resolution Mechanism. In the event that the Parties cannot reach agreement on a matter arising out of or in connection with this Agreement and any other agreement entered into pursuant hereto or in connection herewith (including without limitation matters relating to any Party's rights and/or obligations hereunder and/or regarding the construction, interpretation, and enforceability of such agreements), the procedures set forth in this **Article 14** shall be the exclusive mechanism for resolving any dispute, controversy, or claim in connection with this Agreement, the construction hereof, or the rights, duties or liabilities of either Party under this Agreement (collectively, **"Disputes"**) between the Parties or the JSC that may arise from time to time that cannot be resolved through good faith negotiation between the Parties, except as set forth in **Section 14.4 (Preliminary Injunctions)** and/or **Section 14.5 (Patent Disputes)** or unless otherwise set forth herein.

14.2 Resolution by Executive Officers. Except as otherwise provided in this Agreement, in the event of any Dispute, the Parties shall first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within ten (10) Business Days after one Party provides notice to the other Party of such Dispute, either Party may, by written notice to the other Party, refer such Dispute to the other Party for attempted resolution by good faith negotiation within thirty (30) days after such notice is received. Such Disputes shall be referred to the executive officers for attempted resolution. In the event that any Dispute is not resolved under the foregoing provisions, each Party may, at its sole discretion, seek resolution of such Dispute in accordance with **Section 14.3 (Arbitration)**, as applicable.

14.3 Arbitration.

(a) Except as set forth in **Section 14.4 (Preliminary Injunctions)** and/or **Section 14.5 (Patent Disputes),** or unless otherwise set forth herein, any Dispute that is not resolved pursuant to **Section 14.2 (Resolution by Executive Officers)** shall be **[***]** resolved by **[***]** arbitration pursuant to this **Section 14.3**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Any such arbitration shall be conducted **[***]**.

(c) Within ten **[***]** after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on a single neutral arbitrator with relevant industry experience to conduct such arbitration. If the Parties do not agree on a single neutral arbitrator within ten (10) days after receipt of an arbitration notice**[***]**.

(d) The decision or award of the arbitrator(s) shall be final, binding, and incontestable and may be used as a basis for judgment thereon in any jurisdiction. **[***]**.

14.4 Preliminary Injunctions. Notwithstanding anything in this Agreement to the contrary, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction as provided in **Section 15.12 (Governing Law; Jurisdiction)** in order to prevent immediate and irreparable injury, loss, or damage **[***]**.

14.5 Patent Disputes. Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the scope, construction, validity, and enforceability of any Patent or Patent Application in a country within the Territory shall be determined in a court or other

governmental authority of competent jurisdiction under the applicable patent laws of such country, as provided in **Section 15.12 (Governing Law; Jurisdiction)**.

14.6 Confidentiality. All proceedings and decisions of the arbitrator(s) shall be deemed to be Confidential Information of each of the Parties, and shall be subject to **Article 11 (CONFIDENTIALITY)**.

15. MISCELLANEOUS.

15.1 Agency. Neither Party is, nor shall be deemed to be, an employee, agent, co-venturer, or legal representative of the other Party for any purpose. Neither Party shall be entitled to enter into any contracts in the name of, or on behalf of the other Party, nor shall either Party be entitled to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

15.2 Performance by Affiliates. The Parties recognize that each Party may perform some or all of its obligations under this Agreement through Affiliates; *provided*, *however*, that each Party shall remain responsible for the performance of its Affiliates and shall course its Affiliates to comply with the provisions of this Agreement in connection with such performance.

15.3 Assignment. Licensee shall not have the right to assign this Agreement or any obligation of Licensee hereunder without the prior written consent of BioGenerics, except the cases of (a) in whole or in part, to any of its Affiliates, (b) to any purchaser of all or substantially all of its assets to which this Agreement relates, or (c) to any successor corporation resulting from any merger, consolidation, share exchange, or other similar transaction. BioGenerics shall not have the right to assign this Agreement or any obligation of BioGenerics hereunder without the prior written consent of Licensee, which shall not be unreasonably withheld, delayed, or conditioned, except that BioGenerics may assign this Agreement and the rights, obligations, and interests of BioGenerics, (a) in whole or in part, to any of its Affiliates, (b) to any purchaser of all or substantially all of its assets to which this Agreement relates, or (c) to any successor corporation resulting from any merger, consolidation, share exchange, or other similar transaction. This Agreement shall be binding upon and inure to the successors and permitted assignees of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this **Section 15.3** shall be void. Notwithstanding anything to the contrary in this Agreement, in the event of any such assignment, the intellectual property rights of the acquiring party (if other than one of the Parties to this Agreement) shall not be included in the intellectual property rights licensed to the other Party hereunder to the extent held by such acquirer prior to such transaction, or to the extent such intellectual property rights are developed outside the scope of activities conducted with respect to Products.

15.4 Further Actions. Each Party agrees to execute, acknowledge, and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

15.5 Non-Solicitation. While Licensee is performing Development and/or Commercialization activities under this Agreement and for a period of two (2) years thereafter, neither Party shall, without the express written consent of the other Party, recruit, solicit, or induce any employee of the other Party who has performed activities under this Agreement to terminate his or her employment with such other Party. The foregoing provision shall not, however, restrict either Party or its Affiliates from advertising employment opportunities in any manner that does not directly target the other Party or its Affiliates or from hiring any persons who respond to such generalized public advertisements.

15.6 Force Majeure. Neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by epidemic, earthquake, riot, civil commotion, rebellion, insurrection, invasion, fire, acts of God, war, terrorist acts, strike, storm, flood, or governmental acts or restriction, or other cause that is beyond the reasonable control of the respective Party. The Party affected by such force majeure shall provide the other Party with all information relating thereto (including without limitation its best estimate of the likely extent and duration of the interference with its activities) as soon as reasonably and practically possible after its occurrence, and shall use commercially reasonable efforts to overcome the difficulties created thereby and to resume performance of its obligations as soon as practicable. In such event, the Parties shall meet promptly to determine an equitable solution to the effects of any such event, including without limitation the possibility of the termination of this Agreement pursuant to **Section 12.5 (Termination for Material Breach)**. Notwithstanding the foregoing, nothing in this **Section 15.6** shall excuse or suspend the obligation to make any payment due hereunder in the manner and at the time provided.

15.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (a) if delivered personally or by facsimile transmission (receipt verified), (b) five (5) days after mailed by registered or certified mail (return receipt requested), postage prepaid, or (c) three (3) days after sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

If to Licensee, addressed to:
Daiichi Sankyo Co., Ltd.
Nihonbashi Honcho 3-5-1, Chuo-ku, Tokyo
103-8426, Japan
Attn: **[***]**
Fax: **[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

If to BioGenerics, addressed to:

BioGenerics,Inc.
201 Redwood Shores Parkway, Suite 200
Redwood City, CA, USA 94065
Attn: Dennis M. Lanfear
Fax: +1-866-491-7350

With copies to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94062
Attn: Alan C. Mendelson
Fax: 650-463-2600

Latham & Watkins LLP
12636 High Bluff Drive, Suite 400
San Diego, CA 92130
Attn: John E. Wehrli
Fax: 858-523-5450

15.8 Amendment. No amendment, modification, or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

15.9 Waiver. The waiver by either Party of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

15.10 Counterparts; Electronic Delivery. This Agreement may be executed simultaneously in two counterparts, either one of which need not contain the signature of more than one Party but both such counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile, by email in “portable document format” (“.pdf”), or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing original signature.

15.11 Construction. The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement. Except where the context otherwise requires, wherever used the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders.

The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

15.12 Governing Law; Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of New York, U.S.A., without regard to its or any other jurisdiction's choice of law rules. [***].

15.13 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Laws, but, if any provision of this Agreement is held to be prohibited by or invalid under Applicable Laws, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In the event of such invalidity, the Parties shall seek to agree on an alternative enforceable provision that preserves the original purpose of this Agreement.

15.14 Compliance with Applicable Laws. Each Party will comply with all Applicable Laws in performing its obligations and exercising its rights hereunder. Nothing in this Agreement shall be deemed to permit Licensee to export, re-export, or otherwise transfer any Information transferred hereunder or Product(s) without complying with Applicable Laws.

15.15 No Re-Importation. Licensee will ensure that reasonable safeguards are put in place so that Products sold in the Territory are not, directly or indirectly, exported, or marketed, distributed, or sold, outside of the Territory. Licensee shall not, directly or indirectly, offer Products to any Third Party in a country outside the Territory that Licensee knows is going to, directly or indirectly, export such Products, or market, distribute, or sell such Products, outside of the Territory. If Licensee becomes aware that any of its customers has, directly or indirectly, imported Products into, exported Products to, or marketed, distributed, or sold Products in, any country outside of the Territory, or has reason to believe that a customer intends to, directly or indirectly, import Products, export Products to, or market, distribute, or sell Products, outside of the Territory, Licensee shall take reasonable actions to cause such customer to cease such import, export, marketing, distribution, or sales activities; if such customer does not cease such activities, then Licensee shall immediately cease sale or distribution of any and all Products to such customer, unless prohibited by Applicable Law.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

15.16 Entire Agreement of the Parties. This Agreement, including the exhibits attached hereto, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties, and cancels and supersedes any and all prior or contemporaneous negotiations, correspondence, understandings, and agreements, whether oral or written, between the Parties respecting the subject matter hereof, including without limitation the CDA, and neither Party shall be liable or bound to the other Party with respect to the subject matter of this Agreement in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the Parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement. To the extent that anything set forth in an exhibit attached hereto conflicts with the terms of this Agreement, the terms of this Agreement shall prevail.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives as set forth below:

BIOGENERICS, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: Chief Executive Officer

DAIICHI SANKYO COMPANY, LIMITED

By: /s/ Joji Nakayama
Name: Joji Nakayama
Title: President and CEO

[Signature Page to License Agreement]

EXHIBIT 1.9

BIOGENERICS PATENT RIGHTS

EXHIBIT 1.10

BIOGENERICS TRADEMARKS

BioGenerics

EXHIBIT 1.61

OPTION PRODUCTS

[***]: BioGenerics' biosimilar version of Enbrel (etanercept)

[***]: BioGenerics' biosimilar version of **[***]**

[***]: BioGenerics' biosimilar version of Rituxan (rituximab)

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.62

OPTION TERRITORY

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.72

PRODUCTS

[***]: BioGenerics' biosimilar version of Enbrel (etanercept)

[***]: BioGenerics' biosimilar version of Rituxan (rituximab)

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.84

TERRITORY

Japan

Taiwan

South Korea

EXHIBIT 2.1(e)

BIOGENERICS KNOW-HOW DISCLOSURE SCHEDULE

[***] (ETANERCEPT BIOSIMILAR):

Timeline:	**Item(s) Disclosed:**
[***] following the **[***]**	[***]
	[***] used for **[***]**
	[***] including **[***]** with **[***]**, **[***]**, **[***]**, **[***]**, and **[***]**
	[***] and **[***]**
[***] following the **[***]**	**[***]**
	[***]
	[***] including **[***]**
[***] following the **[***]**	**[***]**
	[***]
	[***]
	[***]
	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] (RITUXIMAB BIOSIMILAR):

Timeline:	**Item(s) Disclosed:**
[***] following the **[***]**	**[***]** with **[***]**
	[***] and **[***]**
[***] following the **[***]**	**[***]**
	[***]
	[***]
	[***] including **[***]**, **[***]**, **[***]**, and **[***]**
[***] following the **[***]**	**[***]**
	[***]
	[***]
	[***]
	[***]
	[***] including **[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 4.1

NON-CLINICAL STUDIES

[***] (ETANERCEPT BIOSIMILAR):

Study:

(a) **[***]** study in **[***]** with **[***]**

(b) **[***]** studies to **[***]** and **[***]** of **[***]**

(c) Any other additional non-clinical studies to **[***]**

[***] (RITUXIMAB BIOSIMILAR):

Study:

(a) **[***]** study in **[***]** with **[***]**

(b) **[***]** studies to **[***]** and **[***]** of a **[***]**

(c) Any other additional non-clinical studies to **[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 5.1

MANUFACTURING AND SUPPLY BY BIOGENERICS

A. **Supply for Regulatory Filings in the Territory.** For any Clinical Trials conducted by Licensee, its Affiliate or Sublicensee under a Regulatory Filing:

1. BioGenerics will supply all required clinical materials, including placebo, for (a) bioequivalence trials and (b) Phase 1 Clinical Trials. In each case (a) and (b), BioGenerics will supply clinical Products at **[***]** for such trials for up to **[***]** patients to Licensee; *provided*, *however*, that Licensee will supply all innovator drug at **[***]**; and *provided further*, that Licensee will **[***]** for **[***]** required for such trials **[***]**.

2. BioGenerics will supply Product, as [***], and placebo for all other Clinical Trials conducted for Development purposes to Licensee at the **[***]** in connection with such supply of Product.

3. BioGenerics shall supply Licensee with the Products and other materials described in **Section A.1** and **Section A.2** above as set forth below:

[***]: (etanercept): By **[***]**

[***]: (rituximab): By **[***]**

B. **Commercial Supply in the Territory.** BioGenerics will supply Product, as **[***]**, and placebo for Commercialization purposes, if any, to Licensee at the **[***]** in connection with such supply of Product.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 7.1

PAYMENT STRUCTURE

A. **Upfront License Payment.** In partial consideration for the rights granted to Licensee under this Agreement, Licensee shall pay to BioGenerics a one-time, non-refundable, non-creditable payment of Ten Million Dollars ($10,000,000) within one (1) day after the Effective Date by wire transfer of immediately available funds into an account designated in writing by BioGenerics.

B. **Equity Investment.** Within one (1) day after the Effective Date, Licensee shall purchase Twenty Million Dollars ($20,000,000) of Series B Preferred Stock of BioGenerics, pursuant to the terms and conditions of a stock purchase agreement substantially in the form attached hereto as **Exhibit 7.1-B (Series B Preferred Stock Purchase Agreement)** at Four Dollars and Eighteen and 41/100 Cents ($4.1841) per share.

C. **Royalties on Net Sales**. In partial consideration for the rights granted to Licensee under this Agreement, including without limitation Patent and know-how licenses and other proprietary rights, Licensee shall pay BioGenerics non-refundable and non-creditable royalties as set forth in this **Section C.**

1. Licensee shall pay BioGenerics a royalty rate based on aggregate Net Sales in the Territory on a Product-by-Product basis each Calendar Year, as follows:

Aggregate Net Sales by Product in such Calendar Year	**Royalty Rate**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**

For example, if the aggregate Net Sales for a Product in a Calendar Year is **[***]**, then the royalty rate shall be **[***]**.

2. If BioGenerics is Manufacturing Product pursuant to **Section 5.1 (Manufacturing by BioGenerics)**, Licensee shall pay BioGenerics **[***]**, on a Product-by-Product basis.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

D. Third Party Payments.

1. In partial consideration for the rights granted to Licensee under this Agreement, including without limitation Patent and know-how licenses and other proprietary rights, Licensee shall pay any royalty payments**[***]** to the extent such payments arise from activities of Licensee or its Affiliates or Sublicensees in the Territory pursuant to this Agreement. The Parties shall each pay **[***]** or **[***]** to any other Third Party in consideration for **[***]** (payments to other Third Parties shall be referred to as the **"Third Party Payments"**) necessary to **[***]**; *provided, however*, that Licensee shall pay the Third Party Payments necessary to **[***]**, unless **[***]**.

2. If Licensee is Manufacturing Product pursuant to **Section 5.2 (Licensee Manufacturing Option)**, and the Parties mutually agree that BioGenerics will purchase Product Manufactured by Licensee**[***]** for sale in markets outside of the Territory, then **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 7.1-B

SERIES B PREFERRED STOCK PURCHASE AGREEMENT

[*To be added.*]

EXHIBIT 12.3

LICENSEE OPT-OUT RIGHTS

A. **Opt-Out Prior to Commercialization.** Licensee shall have the right to terminate the Agreement on a Product-by-Product and country-by-country basis only during the period of time specified below following the occurrence of each milestone **(i)** through **(vi)** as set forth in the table below (each period of time, an **"Opt-out Window"**), and, except for the case of (vi) below, only (a) if Licensee concludes, in good faith, that the Development and/or Commercialization of such Product or in such country is not commercially viable, (b) if Licensee concludes, in good faith, that there are material safety, efficacy or patient tolerability issues with such Product that cannot be remedied or overcome, or (c) if Licensee concludes, in good faith, that it would be difficult to Develop and/or Commercialize the Product in a country in the Territory due to its internal/portfolio reason.

Milestone		Opt-out Window
(i)	**[***]**	**[***]**
(ii)	**[***]**	**[***]**
(iii)	**[***]**	**[***]**
(iv)	**[***]**	**[***]**
(v)	**[***]**	**[***]**
(vi)	**[***]**	**[***]**

1. For the avoidance of doubt, in each of (i) through (vi), Licensee may [***], and [***].

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

2. The **"Opt-out Date"** with respect to this **Section** A shall be **[***].**

B. **Opt-Out During Commercialization**. Licensee shall have the right to terminate the Agreement on a Product-by-Product and country-by-country basis **[***]** with **[***]** prior written notice to BioGenerics, and only if (a) Licensee concludes, in good faith, that Commercialization of such Product or in such country is not commercially viable, (b) if Licensee concludes, in good faith, that there are material safety, efficacy or patient tolerability issues with such Product that cannot be remedied or overcome, or (c) if Licensee concludes, in good faith, that it would be difficult to Develop and/or Commercialize the Product in a country in the Territory due to its internal/portfolio reason. The **"Opt-out Date"** with respect to this **Section B [***]**.

C. **Additional Supply Periods.** If Licensee is Manufacturing any Product (which Manufacturing for purposes of this **Section C [***]**) pursuant to **Section 5.2 (Licensee Manufacturing Option)** prior to the Opt-out Date for such Product, then Licensee shall utilize Commercially Reasonable Efforts to supply BioGenerics in a timely manner with BioGenerics' requirements for such Product for the country(ies) in the Territory as to which this Agreement terminates for the additional period of time following the Opt-out Date as set forth in the table below (such additional period of time, the **"Additional Supply Period"**). BioGenerics shall **[***]** in connection with such supply of Product. Any Manufacturing of Product for BioGenerics by Licensee during the Additional Supply Period shall be addressed in a manufacturing and supply agreement between the Parties, which the Parties shall negotiate in good faith following the Opt-out Date. Notwithstanding the foregoing, Licensee shall not be obliged to supply the Product to BioGenerics if **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Opt-out Trigger		Additional Supply Period
(i)	**[***]**	**[***]**
(ii)	**[***]**	**[***]**
(iii)	**[***]**	**[***]**

D. Additional Obligations.

1. For clarity, Licensee shall comply with the obligations set forth in **Section 12.7(a) (Consequences of Expiration or Termination of this Agreement with Respect to One Product in a Country but Not in the Entire Territory)** or **Section 12.7(b) (Consequences of Expiration or Termination of this Agreement with Respect to One Product in the Entire Territory)**, as applicable. For the purposes of **Section 12.7**, the Opt-out Date **[***]**.

2. For **[***]** following the Opt-out Date, Licensee may not Commercialize or Manufacture a product that is a biosimilar of the reference drug for the terminated Product(s) in the terminated country(ies).

3. Following the Opt-out Date, BioGenerics shall pay Licensee a royalty rate based on Net Sales of the applicable Product in the applicable country, as follows:

Time Period	Royalty Rate
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**

For the avoidance of doubt, the above royalties under this **Section D.3** are exclusive in the case of Licensee opt-out, and no royalty shall be due under **Exhibit 12.7(e) (Licensee Expiration or Termination Rights)** with respect to any Product or any country in the Territory if a royalty with respect to such Product or country in the Territory under this **Section D.3** is due.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 12.7(e)

LICENSEE EXPIRATION OR TERMINATION RIGHTS

1. Solely as provided by **Section 12.7(e)**, BioGenerics shall pay Licensee a royalty rate based on Net Sales of the applicable Product in the applicable country, as follows:

Time Period	Royalty Rate
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**

For the avoidance of doubt, the above royalties under this **Exhibit 12.7(e)** are exclusive, and no royalty shall be due under **Exhibit 12.3(D) (Additional Obligations)** with respect to any Product or country in the Territory if a royalty with respect to such Product or country in the Territory under this **Exhibit 12.7(e)** is due.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.2(a)

EXECUTION VERSION

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

LICENSE AGREEMENT

by and among

COHERUS BIOSCIENCES, INC.,

BAXTER INTERNATIONAL INC.,

BAXTER HEALTHCARE CORPORATION,

AND

BAXTER HEALTHCARE SA

dated

August 30, 2013

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT (the **"Agreement"**) is made and entered into as of August , 2013 (the **"Effective Date"**) among **COHERUS BIOSCIENCES, INC.**, a Delaware corporation with a principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065, United States of America (**"Coherus"**), on the one hand, and **BAXTER INTERNATIONAL, INC.**, a Delaware corporation with a principal place of business at 1 Baxter Parkway, Deerfield, IL 60015, United States of America (**"BII"**), **BAXTER HEALTHCARE SA**, a Swiss corporation with a principal place of business at Postfach 8010 Zurich, Switzerland ("**BHSA**") and **BAXTER HEALTHCARE CORPORATION**, a Delaware corporation with a principal place of business at 1 Baxter Parkway, Deerfield, IL 60015, United States of America ("**BHC**" and, together with BII and BHSA, **"Licensee"**), on the other hand. Coherus and Licensee are sometimes referred to herein individually as a **"Party"** and collectively as the **"Parties"**.

RECITALS

WHEREAS, Coherus is a global biotechnology company that conducts research, development, manufacturing and commercialization and is developing various biosimilar products for the potential treatment of rheumatoid arthritis, psoriasis and other diseases and conditions;

WHEREAS, Licensee has existing development and commercialization capabilities in the Territory (as defined below); and

WHEREAS, Coherus and Licensee wish to collaborate for the development and commercialization of the Product (as defined below) in the Territory in accordance with the terms and conditions hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

1.1 "Accounting Standards" shall mean GAAP or IFRS, as applicable, consistently applied.

1.2 "Affiliate" means a corporation, partnership, trust or other entity that directly, or indirectly through one or more intermediates, controls, is controlled by or is under common control with a specified Party but only for so long as such relationship exists. For such purposes, "control," "controlled by" and "under common control with" shall mean the possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting equity, voting member or partnership interests, control of a majority of the board of directors or other similar body, by contract or otherwise. In the case of a corporation, the direct or indirect ownership of fifty percent (50%) or more of its outstanding voting shares or the ability otherwise to elect a majority of the board of directors or other managing authority of the entity shall in any event be presumptively deemed to confer control, it being understood that the direct or indirect ownership of a lesser percentage of such shares shall not necessarily preclude the existence of control. Notwithstanding the preceding provisions, once an entity ceases to be an Affiliate of Licensee, then such entity shall, without any further action, cease to have any rights, including license and sublicense rights, under this Agreement that it has by reason of being an Affiliate and any and all Coherus Know-How or Confidential Information of Coherus transferred to such entity while it was an Affiliate under this Agreement shall be returned to Licensee within thirty (30) days of the time such entity ceases to be an Affiliate.

1.3 "Applicable Laws" means all applicable laws, rules, and regulations, including any rules (including stock exchange rules), regulations, guidelines or other requirements of the Regulatory Authorities or other governmental authorities, that may be in effect from time to time in any relevant legal jurisdiction.

1.4 "[***] Opt-In" has the meaning set forth in Exhibit 1.4.

1.5 "Business Day" means a day other than Saturday, Sunday or any day on which commercial banks located in the State of New York, U.S.A. are authorized or obligated by Applicable Laws to close.

1.6 "Calendar Quarter" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30, and December 31; *provided*, *however*, that: (a) the first Calendar Quarter of the Term will extend from the Effective Date to the end of the first complete Calendar Quarter thereafter and (b) the last Calendar Quarter of the Term will end upon the expiration or termination of this Agreement.

1.7 "Calendar Year" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.8 "CDA" has the meaning set forth in **Section 11.1 (Confidentiality; Exceptions)**.

1.9 "Chairperson" has the meaning set forth in **Section 3.1(b) (Membership; Meetings)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.10 "Clinical Trials" means human clinical trials conducted up through receipt of Regulatory Approval, including Phase 1 Clinical Trials, Phase 3 Clinical Trials, bioequivalence trials, and/or variations of such trials (for example, phase 2/3 studies). For clarity, the term 'Clinical Trials' shall not include Phase 4 Clinical Trials.

1.11 "Coherus Biosimilar Candidate(s)" means: (a) **[***]** (**[***]** biosimilar), (b) **[***]** (**[***]** biosimilar), and (c) **[***]** (**[***]** biosimilar); *provided*, *however,* a Rejected Biosimilar Candidate shall no longer be considered a Coherus Biosimilar Candidate for any purposes under this Agreement.

1.12 "Coherus Indemnitees" has the meaning set forth in **Section 10.1 (Coherus' Right to Indemnification)**.

1.13 "Coherus Inventions" means all Inventions made, conceived, reduced to practice, authored or otherwise discovered solely by employees, independent contractors, or agents of Coherus, it Affiliates or sublicensees.

1.14 "Coherus Know-How" means all Information that is: (a) Controlled by Coherus as of the Effective Date or during the Term that is not publicly known, even though parts thereof may be known, and (b) useful or necessary to Develop, Manufacture and/or Commercialize the Product in the Field in the Territory. "Coherus Know-How" does not include Coherus Patent Rights.

1.15 "Coherus-Owned Joint Inventions" has the meaning set forth in **Section 8.3(a)(i)**.

1.16 "Coherus-Owned Licensee Inventions" has the meaning set forth in **Section 8.3(a)(i)**.

1.17 "Coherus Patent Rights" means any Patent and/or Patent Application that: (a) is Controlled by Coherus as of the Effective Date or during the Term (including Patents and Patent Applications covering Coherus Inventions, Coherus-Owned Licensee Inventions and Coherus-Owned Joint Inventions) and (b) claims a product, method, apparatus, material, manufacturing process, or other technology necessary or useful for Development, Process Development, Manufacture and/or Commercialization of the Product in the Field in the Territory. "Coherus Patent Rights" includes, but is not limited to, any of Coherus' interest in any Patents and Patent Applications covering Inventions. "Coherus Patent Rights" as of the Effective Date are set forth in **Exhibit 1.17 (Coherus Patent Rights)** which shall be updated from time to time.

1.18 "Coherus Trademarks" means the trademarks set forth in **Exhibit 1.18 (Coherus Trademarks)**, which may be updated by Coherus from time to time during the Term by providing notice to Licensee.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.19 "Commercially Reasonable Efforts" means the carrying out of obligations or tasks consistent with the reasonable practices of a company within the biopharmaceutical industry for the development, manufacture or marketing of a biopharmaceutical product having similar market potential or profit potential in the Territory as the Product, based on conditions then prevailing and taking into consideration issues of safety, efficacy, product profile, the competitiveness of the marketplace in the Territory, the regulatory structure involved and other relevant commercial factors. Commercially Reasonable Efforts requires that the Party, at a minimum: (a) determine the general industry practices in the Territory with respect to the applicable activities; (b) reasonably promptly assign responsibility for such obligations to specific employee(s) who are held accountable for progress and monitor such progress on an on-going basis; (c) set and consistently seek to achieve specific and meaningful objectives for carrying out such obligations; and (d) make and implement decisions and allocate resources designed to advance progress with respect to such objectives.

1.20 "Commercialization" or **"Commercialize"** means any and all activities directed to the marketing, advertising, promotion, offering for sale, selling, distribution, importing and exporting (but not exporting to territories outside of the Territory) the Product for sale in the Territory, including costs associated with key opinion leaders engaged by or on behalf of Licensee.

1.21 "Commercialization Plan" means the plan for Commercialization of the Product in the Field in the Territory and the activities to be conducted by Licensee relating thereto (including the budget associated with such Commercialization activities), which includes the activities to be conducted prior to First Commercial Sale, planning for launch of the Product, and activities to be conducted after launch of the Product, as well as detailed near-term plans, for example detailed plans for sales and marketing after launch of the Product.

1.22 "Competitor" means a Third Party that develops, manufactures, markets, distributes, or promotes, for itself or for others: (a) **[***]**; or (b) **[***]**.

1.23 "Confidential Information" has the meaning set forth in Section 11.1 (Confidentiality; Exceptions).

1.24 "Control" means, with respect to any item of Information, Patent, Patent Application, or other intellectual property right, the right to grant a license or sublicense with respect thereto as provided for in this Agreement without violating the terms of any agreement or other arrangement with, or any legal rights of, any Third Party.

1.25 "CRO" means a Third Party contract research organization, as that term is defined in 21 C.F.R. Part 312.3(b).

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.26 "CSR" or **"Clinical Study Report"** means the final clinical study report generated in connection with a Clinical Trial containing all Information generated by the Clinical Trial, cleaned and statistically analyzed.

1.27 "Damages" has the meaning set forth in **Section 10.1 (Coherus' Right to Indemnification)**.

1.28 "Develop" or **"Development"** means all pre-clinical, clinical, and regulatory activities relating to obtaining a Regulatory Approval in the Territory. Development includes, for example, **[***]**. For the avoidance of doubt, the term 'Development' specifically excludes **[***]** and **[***]**.

1.29 "Development Budget" means the budget associated with Development activities with respect to the Product, on a Calendar Quarter basis, and includes the Global Studies Budget.

1.30 "Development Costs" means: (a) the costs invoiced by Third Parties to Coherus after the Effective Date in connection with enabling and supporting Development efforts for the Product in the Territory **[***]** as set forth in the Development Plan or otherwise approved by the JSC, and (b) any other costs and expenses **[***]** to Coherus after the Effective Date to enable or support the Development of the Product, as reasonably determined and required by the JDC and approved by the JSC. For the avoidance of doubt, the term 'Development Costs' shall exclude **[***]**.

1.31 "Development Plan" means the plan for conduct of Development activities with respect to the Product, including planning timelines, and the activities to be carried out by each Party relating thereto, and including a Development Budget as amended from time to time by the Parties and approved by the JSC pursuant to **Article 3**. The Development Plan shall include a multi-year plan for conducting anticipated Development activities, including the following anticipated activities or events: (a) **[***]**, (b) **[***]**, (c) **[***]**, and (d) **[***]**, if applicable.

1.32 "Disputes" has the meaning set forth in **Section 14.1** (**Exclusive Dispute Resolution Mechanism)**.

1.33 "Dollar" means a U.S. dollar, and **"$"** shall be interpreted accordingly.

1.34 "Enforcement Action" has the meaning set forth in **Section 8.7(b) (Enforcement Actions Against Third Parties)**.

1.35 "Executive Officers" means the **[***]** of Coherus and the **[***]** of Licensee.

1.36 "FDA" means the United States Food and Drug Administration or any successor agency thereto.

1.37 "Field" means the treatment of human diseases and conditions.

1.38 "First Commercial Sale" means the first sale of the Product by Licensee, its Affiliates or Sublicensees to a Third Party end user (other than a Sublicensee) in a bona fide arm's length transaction for which payment has been received in any country in the Territory after all applicable Regulatory Approvals and Pricing and Reimbursement Approvals (if applicable) have been obtained for such country have been granted by the applicable Regulatory Authority in such country.

1.39 "GAAP" means accounting principles generally accepted in the United States, consistently applied and employed by Licensee or its Affiliates or Sublicensees in the applicable country in the Territory.

1.40 "Global Brand Trademark" has the meaning set forth in **Section 6.3(b) (Global Brand Trademark)**.

1.41 "Global Clinical Database" has the meaning set forth in **Section 4.7 (Coherus Global Clinical Database)**.

1.42 "Global Psoriasis Study" means the Phase 3 Clinical Trial of the Product in psoriasis conducted by or on behalf of Coherus directed toward obtaining Regulatory Approval for the Product with respect to psoriasis inside and outside the Territory.

1.43 "Global RA Study" means the Phase 3 Clinical Trial of the Product in rheumatoid arthritis conducted by or on behalf of Coherus directed toward obtaining Regulatory Approval for the Product with respect to rheumatoid arthritis inside and outside the Territory.

1.44 "Global Study Budget" means the overall budget for the Global Studies, included in the Development Budget.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.45 "Global Study(ies)" means the Global Psoriasis Study and the Global RA Study.

1.46 "Grant-Back IP" means any **[***]**, or other **[***]** and **[***]** covering **[***]**. For the avoidance of doubt, Grant-Back IP shall **[***]**.

1.47 "IFRS" shall mean International Financial Reporting Standards, consistently applied and employed by Licensee or its Affiliates or Sublicensees in the applicable country in the Territory.

1.48 "Illustrative Development Plan/Budget" means the documents attached to this Agreement as **Exhibit 1.48** setting forth certain Development activities and the budget related thereto which are included for illustrative purposes for the JDC and JSC to review at their initial meetings in connection with its preparation of the actual Development Plan and related budget.

1.49 "[***] Milestones" means **[***]**

1.50 "Indemnification Claim" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.51 "Indemnitee" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.52 "Indemnitor" has the meaning set forth in **Section 10.3 (Process for Indemnification)**.

1.53 "Initial Development Activities" means the key development activities and related expenditures anticipated in the thirty (30) days following the Effective Date as set forth in **Exhibit 1.53 (Initial Development Activities)**, attached hereto.

1.54 "Information" means ideas, Inventions, discoveries, concepts, formulas, practices, procedures, processes, methods, knowledge, know-how, trade secrets, technology, designs, drawings, computer programs, skill, experience, documents, results, clinical and regulatory strategies, test data, including pharmacological, toxicological and clinical and non-clinical data, analytical and quality control data, manufacturing data and descriptions, Patent and legal data, market data, financial data or descriptions, assay protocols, chemical formulas,

sequence listings, specifications, and the like, in written, electronic or other form, now known or hereafter developed, whether or not patentable, relating to the Product.

1.55 "Initial Review Period" means a period of ninety (90) days following the Effective Date.

1.56 "Initiation" means:

(a) with respect to the Global Psoriasis Study, the first dosing of a patient in such Global Psoriasis Study;

(b) with respect to the Global RA Study, the first dosing of a patient in such Global RA Study; and

(c) with respect to a Phase 3 Clinical Trial for the Product other than in the Global Psoriasis Study or the Global RA Study, the first dosing of a patient in such Phase 3 Clinical Trial.

1.57 "Inventions" means any and all inventions **[***]** by or on behalf of either Party, its Affiliates or Sublicensees in the course of activities performed under or contemplated by this Agreement.

1.58 "Joint Commercialization Committee" or **"JCC"** has the meaning set forth in **Section 3.4 (Joint Commercialization Committee)**.

1.59 "Joint Development Committee" or **"JDC"** has the meaning set forth in **Section 3.1(f) (Joint Development Committee)**.

1.60 "Joint Inventions" means all Inventions **[***]** by employees, independent contractors, or agents of both Licensee and Coherus (including their respective Affiliates or sublicensees).

1.61 "Joint Patent Rights" has the meaning set forth in **Section 8.5 (Joint Patent Filings)**.

1.62 "Joint Process Development and Manufacturing Committee" or **"JPDMC"** has the meaning set forth in **Section 3.3 (Joint Process Development and Manufacturing Committee)**.

1.63 "Joint Steering Committee" or "JSC" has the meaning set forth in **Section 3.1(a) (General)**.

1.64 "Licensee Indemnitees" has the meaning set forth in **Section 10.2 (Licensee's Right to Indemnification)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.65 "Licensee Inventions" means all Inventions **[***]** solely by employees, independent contractors, or agents of Licensee, it Affiliates or sublicensees.

1.66 "Licensee Know-How" means all Information that is: (a) Controlled by Licensee or its Affiliates as of the Effective Date or during the Term that is not publicly known, even though parts thereof may be known, and (b) necessary to develop, make, have made, use, sell, offer to sell, have sold, import or export the Product. "Licensee Know-How" does not include Licensee Patent Rights.

1.67 "Licensee Patent Rights" means any Patent and/or Patent Application that is: (a) Controlled by Licensee or its Affiliates as of the Effective Date or during the Term (including Patents and Patent Applications covering Licensee Inventions that are owned by Licensee pursuant to **Section 8.3(a)(ii)**) and (b) claims a product, method, apparatus, material, manufacturing process, or other technology necessary to develop, make, have made, use, sell, offer to sell, have sold, import or export the Product. "Licensee Patent Rights" includes, but is not limited to, any of Licensee's interest in any Patents and Patent Applications covering Inventions.

1.68 "Licensee Trademarks" means any trademark, other than a Product Trademark, that is: (a) Controlled by Licensee or its Affiliates and (b) used in the Commercialization.

1.69 "Major EU Country(ies)" means the **[***]**.

1.70 "Manufacture" or **"Manufacturing"** means all manufacturing activities, undertaken with respect to the Product in support of clinical and commercial supply of the Product, as applicable, including manufacture of formulated bulk, fill and finish operations, sterilization, lyophilization, packaging, labeling, storing, transporting (with respect to the Product used in the Global Trials) quality control, quality assurance, and release but specifically excluding Process Development activities.

1.71 "Manufacturing and Supply Agreement" has the meaning set forth in **Section 5.1 (Manufacturing and Supply Agreement)**.

1.72 "Manufacturing Cost" means the costs of Manufacturing bulk drug substance or Units (including Product contained in such Unit). Manufacturing Costs shall include the cost of **[***]** (**[***]**) (**[***]**), costs associated with **[***]**, **[***]**. For the avoidance of doubt, the term 'Manufacturing Cost' shall **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.73 "Manufacturing Regulatory Filings" means any and all regulatory applications, filings, approvals and associated correspondence required to Manufacture the Product in the country in which it is Manufactured as well as to import the Product into each country or jurisdiction in the Territory.

1.74 "Net Sales" means, on a country-by-country basis, the gross revenues invoiced by Licensee, its Affiliates and Sublicensees in connection with the sale, lease or other transfer for value of Product in a bona fide arm's-length transaction with unaffiliated Third Parties; less the following items to the extent actually incurred or accrued in accordance with the Accounting Standards and to the extent not already deducted in the amount invoiced: (a) trade and quantity and/or cash discounts actually allowed or taken; (b) governmental customs, duties, sales, withholding and similar taxes (including, for the avoidance of doubt value added or import/export taxes, sales taxes and excise taxes but excluding taxes based on income), if any, imposed on the Product, to the extent directly related to such sale; (c) amounts actually allowed or credited by reason of rejections, return of goods (including as a result of recalls), any retroactive price reductions or allowances specifically identifiable as relating to the Product (including those resulting from inventory management or similar agreements with wholesalers); (d) amounts incurred resulting from government-mandated rebate programs, including programs mandated by any agency thereof; (e) rebates actually given to a Third Party specifically for Product; (f) freight, postage, shipping and applicable insurance charges, to the extent same are separately itemized in the invoice price and charged to the buyer; (g) patient discount programs, administrative fees and chargebacks or similar price concessions related to the sale of the Product; and (h) **[***]**.

Net Sales shall not include a sale or transfer of Product to an Affiliate or Sublicensee or if done for clinical, regulatory or governmental purposes where no consideration is received, but resale by such Affiliate or Sublicensee to a Third Party end user shall be included in Net Sales.

If any Product is sold in combination with one or more other products (*e.g.* a delivery device) or active ingredients which are not the subject of this Agreement (as used in this definition of Net Sales, a **"Combination"**), then the gross amount invoiced for that Product shall be calculated by multiplying the gross amount invoiced for such Combination by the fraction A/(A+B), where "A" is the gross amount invoiced for the Product sold separately and "B" is the gross amount invoiced for the other active ingredient(s) sold separately. In the event that the other active ingredient is not sold separately, then the gross amount invoiced for that Product shall be calculated by multiplying the gross amount invoiced for the Combination by the fraction A/C, where "A" is the gross invoice amount for the Product, if sold separately, and "C" is the gross invoice amount for the Combination. In the event that no such separate sales are made, Net Sales for royalty determination shall be determined by the Parties in good faith.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.75 "Non-Negative Central Scientific Advice" means receipt of guidance from the central Regulatory Authority in the European Union as part of the central scientific advice response **[***]** the Development Plan as approved by the JSC.

1.76 "Opting-In Party" has the meaning set forth in **Section 8.4(b) (Opt-In Rights)**.

1.77 "Opting-Out Party" has the meaning set forth in **Section 8.4(b) (Opt-In Rights)**.

1.78 "Patent" means: (a) letters patent (or other equivalent legal instrument), including utility and design patents, and including any extension, substitution, registration, confirmation, reissue, re-examination or renewal thereof, and (b) all foreign or international equivalents of any of the foregoing in any country.

1.79 "Patent Application" means: (a) an application for letters patent, including a provisional patent application, a reissue application, a re-examination application, a continuation application, a continued prosecution application, a continuation-in-part application, a divisional application or any equivalent thereof that is pending at any time during the Term before a government patent agency and (b) all foreign or international equivalents of any of the foregoing in any country.

1.80 "Phase 1 Clinical Trial" means a human clinical trial of the Product, the principal purpose of which is a preliminary determination of safety in healthy individuals or patients, as described in 21 C.F.R. 312.21(a), or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.81 "Phase 1 Results" means: (a) **[***]**; (b) **[***]** and **[***]**; (c) **[***]**; and (d) **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.82 "Phase 3 Clinical Trial" means a confirmatory safety and efficacy human clinical trial of the Product performed after evidence suggesting effectiveness of the compound has been obtained pursuant to **[***]**: (a) that portion of an FDA submission and approval process which provides for the continued trials of a product on sufficient numbers of human patients to confirm with statistical significance the safety and efficacy of a product sufficient to support a Regulatory Approval for the proposed indication, as more fully described in 21 C.F.R. 312.21(c), or (b) equivalent Regulatory Filings with similar requirements in a country other than the United States, or a similar human clinical study prescribed by the Regulatory Authorities in a foreign country. For clarity, **'Phase 3 Clinical Trial'** includes **[***]**.

1.83 "Phase 4 Clinical Trial" means a human clinical trial of the Product in the Territory commenced following receipt of Regulatory Approval in the Territory not for the purpose of satisfying a condition imposed by a Regulatory Authority to obtain Regulatory Approval or receipt of Pricing and Reimbursement Approvals in the Territory, but only to support the marketing of the Product.

1.84 "Post-Regulatory Approval Activities" means the following activities conducted following receipt of Regulatory Approval: (a) any clinical trials required to receive or maintain Regulatory Approvals or receipt of Pricing and Reimbursement Approvals in the Territory; (b) open label extension studies; (c) any Phase 4 Clinical Trial; (d) studies required to support pharmacovigilance activities in the Territory; and (e) the equivalent in any country within the Territory of U.S. post-approval commitment studies and risk evaluation and mitigation strategies ("REMS") programs.

1.85 "Pricing and Reimbursement Approval" means any approval received from a Regulatory Authority in a country or region relating to (a) the price that may be charged to a third party for the sale of a medical product or (b) the amount to be reimbursed (directly or indirectly) to the seller of such a medical product pursuant to the Applicable Laws in such country or region.

1.86 "Process Development" means all process development activities undertaken with respect to the Product, including activities related to **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.87 "Process Development Costs" means all costs invoiced by Third Parties to Coherus and/or its Affiliates for Process Development activities after the Effective Date directly resulting from any Process Development efforts as set forth in the Process Development Plan or otherwise approved by the JSC. Process Development Costs shall include **[***]**, such as **[***]**. For the avoidance of doubt, the term 'Process Development Costs' shall include **[***]**.

1.88 "Process Development Plan" means the plan for conduct of Process Development activities with respect to the Product, and the activities to be carried out by each Party relating thereto, including the budget therefor.

1.89 "Product" means Coherus' product known as CHS-0214 that is intended to be a "biosimilar medicine" product of Enbrel (etanercept) pursuant to the EMEA guidance document 837805 dated 27th of September 2012.

1.90 "Product Trademark" has the meaning set forth in **Section 6.3(a) (Product Trademark; Licensee Trademark)**.

1.91 "Regulatory Approval" means approval by the Regulatory Authority having jurisdiction in the applicable country of a Regulatory Approval Application and satisfaction of all related applicable regulatory and notification requirements and such other approvals that are necessary to Commercialize the Product in such country. **[***]**.

1.92 "Regulatory Approval Application" means: (a) the application or set of applications in the applicable country that is comparable to a Biologic License Application, as defined by the FDA in 21 CFR Part 601, or other applicable filing for a biological product to commercialize such product in the applicable country and (b) any related registrations with or notifications to such Regulatory Authority, and any amendments or supplements to either of the foregoing and any substitutes therefor.

1.93 "Regulatory Authority" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities regulating or otherwise exercising authority with respect to the Product in the Territory, including the equivalent in the Territory to the FDA.

1.94 "Regulatory Filings" means any and all Regulatory Approval Applications and other regulatory applications, filings and associated correspondence required to obtain Regulatory Approval or receipt of Pricing and Reimbursement Approvals to Develop, Commercialize, import the Product in, or into, or export the Product from the applicable country or jurisdiction.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.95 "Reimbursable Costs" means (subject to **Section 4.1 (Development Activities; Process Development Activities and Funding**)): (a) **[***]**, (b) **[***]**, (c) the **[***]**, or (d) **[***]** ; but, in each case, excluding, for the avoidance of doubt, any costs and expenses solely related to **[***]**.

1.96 "Renewal Period" has the meaning set forth in **Section 12.2 (Extension of Term)**.

1.97 "Responsible Party" has the meaning set forth in **Section 8.5 (Joint Patent Filings)**.

1.98 "ROFR Agreement" means a definitive agreement entered into by Coherus and Licensee related to either a Coherus Biosimilar Candidate or Product X pursuant to **Section 2.4 (Licensee Rights of First Refusal)**.

1.99 "Rules" has the meaning set forth in **Section 14.3(b) (Arbitration)**.

1.100 "Second Review Period" has the meaning set forth in **Section 2.4(e) (Product Opt-Out)**.

1.101 "Sublicensee" means any person or entity to which Licensee grants a sublicense to the extent permitted under **Section 2.2 (Sublicense Rights)** (other than Coherus or Affiliates of Coherus).

1.102 "Term" has the meaning set forth in **Section 12.1 (Term)**.

1.103 "Territory" means worldwide, excluding the following countries: Japan, the United States (including its territories and protectorates), **[***]**.

1.104 "Third Party" means any person or entity other than Licensee, Coherus, or an Affiliate of either of them.

1.105 "Third Party Payments" has the meaning set forth in **Exhibit 7.1(D) (Royalties on Net Sales; Third Party Payments)**.

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1.106 "Trademark" means any word, name, symbol, color, designation or device or any combination thereof, whether registered or unregistered, including any trademark, trade dress, service mark, service name, brand mark, trade name, brand name, logo or business symbol.

1.107 "Unit" means one (1) filled, finished, labeled, and released dosage form comprised of one of the following: (a) **[***]** Product, or (b) **[***]** Product, or (c) **[***]** Product, or (d) another mutually agreed upon **[***]**.

1.108 "Vendors" means **[***].**

2. LICENSES; LICENSEE RIGHT OF FIRST REFUSAL.

2.1 License Grants.

(a) Development and Commercialization License to Licensee. Subject to the terms and conditions of this Agreement including **Sections 2.1(b) (Licenses to Coherus)** and **Section 2.3 (No Implied Rights or Licenses; Retained Rights)**, Coherus hereby grants to Licensee and its Affiliates an exclusive, royalty-bearing license, under the Coherus Know-How and Coherus Patent Rights, to Develop, Commercialize and use the Product in the Field in the Territory. The foregoing license does not include the right to Manufacture, or have Manufactured, the Product, or to conduct, or have conducted, any Process Development activities.

(b) Licenses to Coherus. Subject to the terms and conditions of this Agreement, Licensee hereby grants to Coherus and its Affiliates: (i) a fully-paid, non-exclusive license, under the Licensee Know-How and Licensee Patent Rights, to perform Coherus' obligations under this Agreement; (ii) a fully-paid, non-exclusive, perpetual, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP, to develop, make, have made, use, sell, offer to sell, have sold and import the Product outside of the Territory; and (iii) a fully-paid, non-exclusive, perpetual, irrevocable license (with full rights to grant sublicenses through multiple tiers) under any Licensee Inventions owned by Licensee pursuant to **Section 8.3(a)(ii) (Generally)** solely to the extent necessary to make, have made, use, sell, offer to sell, have sold and import the Product (whether inside and outside the Territory).

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2.2 Sublicense Rights. Licensee shall not have the right to grant sublicenses under the licenses granted to it under **Section 2.1(a) (Development and Commercialization License to Licensee)** and **Section 6.3(d) (Use of Coherus Trademark)**, without the prior written consent of Coherus, which consent may be withheld **[***]**, except with respect to **[***]**, in which case **[***]**. For the avoidance of doubt, it shall be **[***]** with respect to **[***]**. If Coherus consents in writing to allow Licensee to grant a sublicense, then Licensee may grant such sublicense, through **[***]**, subject to the following: (a) each Sublicensee shall agree to be bound by all of the applicable terms and conditions of this Agreement; (b) the terms of each sublicense granted by Licensee shall provide that the Sublicensee shall be subject to the terms and conditions of this Agreement; (c) Licensee's grant of any sublicense shall not relieve Licensee from any of its obligations under this Agreement; (d) Licensee shall be liable for any breach of a sublicense by a Sublicensee to the extent that such breach would constitute a breach of this Agreement, and any breach of the sublicense by such Sublicensee shall be deemed a breach of this Agreement by Licensee to the extent that such breach would constitute a breach of this Agreement as if Licensee had committed such breach; *provided*, *however*, that in each instance of any breach, Licensee and/or Sublicensee shall have the right to cure any such breach pursuant to the terms of this Agreement; and (e) Licensee will notify Coherus of the identity of any Sublicensee, and the territory in which it has granted such sublicense, promptly after entering into any sublicense. Notwithstanding anything to the contrary in this Agreement, for clarity, Licensee shall not have the right to grant sublicenses under **Section 2.1 (License Grants)** to any Third Party to Manufacture Products or to conduct Process Development.

2.3 No Implied Rights or Licenses; Retained Rights. Neither Coherus nor Licensee grants to the other Party any rights or licenses in or to any Patent, Information, Trademark, or other intellectual property right, whether by implication, estoppel or otherwise, except to the extent expressly set forth in this Agreement. All rights not expressly granted to Coherus or Licensee (as applicable) in this Agreement are hereby retained by the Party that owns such rights. Notwithstanding the foregoing, Licensee expressly acknowledges that Coherus will use the Regulatory Filings (including any Regulatory Approvals in the Territory) in Manufacturing, obtaining Regulatory Approvals outside the Territory and selling the Product outside the Territory.

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2.4 Licensee Rights of First Refusal.

(a) Right of First Refusal for Coherus Biosimilar Candidates. During the Initial Review Period, Licensee will be granted **[***]** to **[***]**. Within forty-five (45) days of the commencement of the Initial Review Period, Licensee shall provide written notice (the **"Rejection Notice"**) of one (1) Coherus Biosimilar Candidate in which it has no interest in developing and/or commercializing with Coherus (a **"Rejected Biosimilar Candidate"**) and such Rejected Biosimilar Candidate shall no longer be subject to the rights set forth in this **Section 2.4(a)**. In addition, during the Initial Review Period, Licensee may elect, by providing written notice of such election (the **"Election Notice"**) to Coherus during the Initial Review Period, to enter into an agreement with Coherus for the development and commercialization of one (1) of the remaining Coherus Biosimilar Candidates in the Field in a territory which is not, as of the Effective Date, subject to a development and/or commercialization license from Coherus to a Third Party **[***]**. Alternatively, Licensee may elect, by providing an Election Notice to Coherus during the Initial Review Period, to enter into a joint venture or other commercial arrangement with Coherus for the development and commercialization of a biosimilar compound (**"Product X"**); *provided, however,* that, at the time of such election by Licensee, **[***]**. If Product X is the product selected in the Election Notice, the identity of Product X, and Licensee's election to proceed with a joint venture or other commercial arrangement, must be made within the Initial Review Period; Coherus **[***]**. The Coherus Biosimilar Candidate or Product X which Licensee selects during the Initial Review Period shall be known as the **"ROFR Candidate."** For clarity, Licensee is not obligated to select a ROFR Candidate during the Initial Review Period and Licensee is allowed to select only one ROFR Candidate during the Initial Review Period unless the provisions set forth in **Section 2.4(e) (Product Opt-Out)** are operative.

(b) Coherus/Licensee Product X Compounds as of Effective Date. As of the Effective Date **[***]** the following compounds which shall be eligible to be named as a Product X during the Initial Review Period (each, an **"Available Product X"**): **[***]**. Between the Effective Date and the expiration of the Initial Review Period, **[***]**. For clarity, the list of Available Product Xs set forth in this **Section 2.4(b)** is **[***]** named by Licensee and**[***]** Licensee may **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(c) [***] After the Initial Review Period. After the Initial Review Period, Coherus may permit Third Parties to **[***]** with respect to any such Coherus Biosimilar Candidates until at least thirty (30) days following the end of the Initial Review Period. Following receipt of the Rejection Notice, Coherus may permit Third Parties to **[***]**.

(d) Negotiation Periods.

(i) If the Election Notice identifies one of the Coherus Biosimilar Candidates as the ROFR Candidate, the Parties shall enter into a period of **[***]** negotiations of thirty (30) days which shall commence on the date that Licensee delivers to Coherus the applicable Election Notice, with the goal of **[***]** by Coherus **[***]**. If a **[***]** during such thirty (30)-day period, the Parties shall promptly enter into a period of **[***]** negotiations of not more than sixty (60) days following the **[***]** mutually acceptable financial and other terms under which Coherus would **[***]** license to Licensee such intellectual property rights.

(ii) If the Election Notice identifies a Product X as the ROFR Candidate, the Parties shall enter into a period of **[***]** negotiations of not more than six (6) months following the receipt by Coherus of the applicable Election Notice with the goal of executing a definitive license agreement setting forth the mutually acceptable financial and other terms under which Coherus would exclusively license to Licensee the intellectual property rights related to Product X that are Controlled by Coherus.

(e) Product Opt-Out. Licensee shall have a period of forty-five (45) days (which shall be extended by Coherus by an additional fifteen (15) days upon the reasonable request of Licensee) following **[***] "Product Opt-Out Period"**) to make a decision not to proceed with Development solely based on: (i) the failure of the Phase 1 Results to demonstrate pharmacokinetic bio-equivalence **[***]**; (ii) material safety issues with the Product which are evident in the Phase 1 Results and which issues cannot be remedied or overcome; or (iii) quality audits of the Vendors conducted between the Effective Date and the expiration of the Product Opt-Out Period (**[***]**) that provide findings identifying violations of applicable GXP of such a severity or number that they would, in the aggregate, preclude the ability of one or both of the Vendors to qualify under Licensee's standard vendor qualification policies and procedures taking into account the performance of reasonable remediation efforts in a timely manner. The Parties will work together in good faith to remediate any such findings. The Parties will share any reports generated in connection with the quality audits under **subsection (iii)** above, to the extent not otherwise prohibited by any Third Party consultants utilized in such quality audits. If Licensee makes a decision not to proceed with Development pursuant to this **Section 2.4(e)**, it shall, prior to the expiration of the Product Opt-Out Period, provide written notice of such decision to Coherus (an **"Opt-Out Notice"**), setting forth in reasonable detail the basis on which it has made its decision. If Licensee delivers an Opt-Out Notice during the Product Opt-Out Period, Licensee shall have an additional sixty (60)-day period following delivery of the Opt-Out Notice (the **"Second Review Period"**) to elect to enter into one or more **[***]** term sheets and/or ROFR Agreements (as contemplated below) with Coherus for the development and commercialization of additional product candidates as follows:

(i) Coherus shall promptly **[***]**;

(ii) If Licensee selected a ROFR Candidate within the Initial Review Period, Licensee may, during the Second Review Period, select **[***]**, such that, **[***]**, Licensee may **[***]**; whereas if **[***]**, Licensee must **[***]**;

(iii) If Licensee did not select a ROFR Candidate within the Initial Review Period, Licensee may, during the Second Review Period, select **[***]**; *provided, however,* that **[***]**;

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(iv) The identity of Product X, and Licensee's election to proceed with **[***]** must be made within the Product Opt-Out Period;

(v) For clarity, the expiration of the Initial Review Period shall not impact Licensee's ability to select one or more Coherus Biosimilar Candidates or Product X during the Second Review Period following delivery by Licensee of an Opt-Out Notice during the Product Opt-Out Period; and

(vi) [***] of the Upfront Payment paid to Coherus pursuant to **Exhibit 7.1 Section A (Upfront License Payment)** shall be **[***]** under the definitive ROFR Agreement(s) to be negotiated pursuant to this **Section 2.4(e) (Product Opt-Out)**; *provided, however,* that: (A) **[***]**, (B) **[***]**; and (C) **[***]**. For clarity, this **[***]** is only applicable in the event of Product Opt-Out by Licensee.

(f) [***] Term Sheet and/or Definitive Agreements to be Negotiated. Any **[***]** term sheet or ROFR Agreement between Coherus and Licensee related to either a Coherus Biosimilar Candidate or Product X will be negotiated in good faith, within the timeframes for completing negotiations set forth in **Section 2.4 (Licensee Rights of First Refusal)**, subject to extension by mutual agreement of the Parties, and will provide for mutually acceptable financial and other terms; *provided, however,* that it is anticipated that any ROFR Agreement(s) for Product X shall **[***]**; *provided, however,* that, **[***]**:

(i) with respect to any ROFR Agreement for the first Coherus Biosimilar Candidate, Coherus shall **[***]**; and

(ii) with respect to any ROFR Agreement for **[***]**, Coherus shall not bear any internal or external development costs.

3. GOVERNANCE.

3.1 Joint Steering Committee.

(a) Generally. As soon as practicable after the Effective Date, but in any event within fifteen (15) days of the Effective Date, the Parties shall establish a joint steering committee (the **"Joint Steering Committee"** or **"JSC"**) to oversee the Development, Process Development, Manufacturing, Process Development and Commercialization activities of the Parties with respect to Product in the Territory during the Term as further detailed in this **Article 3 (GOVERNANCE)**. The JSC shall have review and coordination responsibilities for Development, Manufacturing, Process Development and Commercialization activities and in connection therewith shall review and provide advice regarding the overall progress thereof. The JSC shall also provide a forum for sharing advice, progress, and results relating to such activities and shall attempt to facilitate the resolution of any disputes between the Parties, as described in **Section 3.1(d) (Decision-Making; Deciding Vote)**.

(b) Membership; Meetings. The JSC shall be composed of three (3) representatives of Licensee and three (3) representatives of Coherus or such other number as the Parties may agree. During the Term, the JSC shall meet at least **[***]** per **[***]**, or more often as the JSC shall determine, in person, by teleconference, or by video-teleconference. There will be an annually rotating chairperson (the **"Chairperson"**) with the first Chairperson to be designated by Licensee. In-person meetings shall alternate between Coherus and Licensee locations whenever possible unless otherwise agreed by the Parties. The first such meeting shall be held within ninety (90) days after the Effective Date. Any member of the JSC may designate a substitute to attend with prior written notice to the other Party. Ad hoc guests who are employees of neither Licensee nor Coherus but who are subject to written confidentiality obligations commensurate in scope to the provisions in **Article 11 (CONFIDENTIALITY)** may, subject to the other Party's consent (not to be unreasonably withheld, conditioned or delayed), attend the JSC meetings. Each Party may replace its JSC members with other of its employees, at any time, upon prior written notice to the other Party.

(c) Sub-Committees. No later than its initial meeting, the JSC shall agree upon the formation of certain sub-committees to address specific issues in greater detail (each, a **"Sub-Committee"**) including the JDC, JPDMC and JCC (each, as hereinafter defined) with each Sub-Committee consisting of an equal number of representatives from Coherus and Licensee. In connection therewith, the JSC shall establish and appoint members to the Sub-Committees and each such Sub-Committee shall hold its first meeting in person as set forth in the applicable sections below at such location designated by the JSC. **[***]**. For clarity, either Party may, as appropriate and reasonable, invite additional employees or other ad-hoc guests who are subject to written confidentiality obligations commensurate in scope to the provisions in **Article 11 (CONFIDENTIALITY)** to the meetings of the Sub-Committees.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(d) Decision-Making; Deciding Vote. Except as otherwise expressly set forth in this **Section 3.1(d)**, decisions of the JSC and each Sub-Committee shall be made by consensus, with each Party having, collectively, one (1) vote in all decisions. In the event that the JSC or any Sub-Committee is unable to reach a consensus decision on a matter that is within its decision-making authority within fifteen (15) day after it has met and attempted to reach such decision, then either Party may submit such matter for resolution to the Executive Officers in accordance with **Section 14.2 (Resolution by Executive Officers)**, and, except as set forth below in this **Section 3.1(d)**, the dispute resolution procedure set forth in **Article 14 (DISPUTE RESOLUTION)** shall apply.

(i) The JDC will report to the JSC. Any disagreement between the Parties' members on the JDC will be submitted for resolution to the JSC. If the JSC is unable to resolve such disagreement, such disagreement will be escalated to the Executive Officers for their resolution in accordance with **Section 14.2 (Resolution by Executive Officers)**; *provided, however,* that if the disagreement that is escalated to the Executive Officers relates to **[***]**, then the Executive Officers shall **[***]**; *provided further,* **[***]**.

(ii) The JPDMC will report to the JSC, and any disagreement between the Parties' members on the JPDMC will be submitted for resolution to the JSC and, if necessary, for subsequent escalation to and resolution by the Executive Officers in accordance with **Section 14.2 (Resolution by Executive Officers)**; *provided, however*, that if the Executive Officers are unable to reach resolution in accordance with **Section 14.2 (Resolution by Executive Officers)**, then no further escalation of dispute resolution under **Article 14 (DISPUTE RESOLUTION)** shall apply and **[***]** shall have the final deciding vote.

(iii) The JCC will report to the JSC, and any disagreement between the Parties' members on the JCC will be submitted for resolution to the JSC and, if necessary, for subsequent escalation to and resolution by the Executive Officers in accordance with **Section 14.2 (Resolution by Executive Officers)**; *provided, however*, that if the Executive Officers are unable to reach resolution in accordance with **Section 14.2 (Resolution by Executive Officers)**, then no further escalation of dispute resolution under **Article 14 (DISPUTE RESOLUTION)** shall apply and **[***]** shall have the final deciding vote.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(e) Limitations on JSC and Sub-Committees. The JSC and each Sub-Committee shall have only such powers as are specifically delegated to it in this Agreement and such powers shall be subject to the terms and conditions set forth in this Agreement. Without limiting the generality of the foregoing, neither the JSC nor any Sub-Committee thereof shall have any power to amend, modify or waive compliance with this Agreement though the JSC or any Sub-Committee may make recommendations to the Parties regarding any such amendments, modifications or waivers.

(f) Secretary; Minutes. The Chairperson of the JSC and the chairperson of each Sub-Committee shall designate a secretary who will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and circulating minutes within fifteen (15) days after each meeting of the JSC setting forth, among other things, a description, in reasonable detail, of the discussions at the meeting and a list of any actions, decisions, or determinations approved by the JSC or the applicable Sub-Committee. Definitive minutes of all meetings shall be finalized no later than thirty (30) days after the meeting to which the minutes pertain. Such minutes shall be effective only after being approved by both Parties.

3.2 Joint Development Committee.

(a) No later than its initial meeting, the JSC shall establish a joint Development committee (the **"Joint Development Committee"** or **"JDC"**) which shall hold its initial meeting within fifteen (15) days of its establishment. At its first meeting, the JDC shall: (i) **[***]**, and (ii) review, modify as necessary and recommend for approval to the JSC a Development Plan (including the Development Budget). The Illustrative Development Plan/Budget is an illustrative indication of the activities and the budget to be considered and addressed in the first Development Plan and shall not be binding on the Parties, the JSC or the JDC. Following its initial meeting, the JDC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to **[***]**.

(b) Without limiting the foregoing, the JDC shall be responsible for: (i) reviewing, consulting with the Parties on and modifying (as appropriate) the Development Plan including the Development Budget; (ii) recommending the Development Plan including the Development Budget (as modified) for approval by the JSC; (iii) communicating with the JCC regarding the interrelationship between Development activities and potential Commercialization; (iv) reviewing and monitoring the activities and progress against the Development Plan; (v) reviewing and monitoring the costs and expenses of Development against the Development Budget; (vi) finalizing the Product specifications for inclusion in the Regulatory Filings for the Territory and Regulatory Approvals and Pricing and Reimbursement Approvals for the Territory; and (vii) communicating with the Parties regarding all of the foregoing. For the avoidance of doubt, the CRO used for Clinical Trials shall be selected by Coherus, and such selection shall not be subject to the dispute escalation process under **Section 3.1(d) (Decision-Making; Deciding Vote)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3.3 Joint Process Development and Manufacturing Committee. At its initial meeting, the JSC shall establish a joint Process Development and Manufacturing committee (the **"Joint Process Development and Manufacturing Committee"** or **"JPDMC"**) which shall, as noted above, hold its initial meeting within fifteen (15) days of its establishment. Following its initial meeting, the JPDMC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to review and discuss material decisions and key activities that relate to the matters set forth below. The JPDMC will be responsible for reviewing Process Development, progress and development of analytical methods and analysis, Product formulations, coordination of Process Development and Manufacturing related activities and the review, modification as necessary and recommendation for approval to the JSC of a Process Development Plan. For the avoidance of doubt, the Third Party contract manufacturer for clinical and commercial supplies of Product in the Territory shall be selected by Coherus, and such selection shall not be subject to the dispute escalation process under **Section 3.1(d) (Decision-Making; Deciding Vote)**.

3.4 Joint Commercialization Committee. Upon a decision by the JSC to activate the joint Commercialization committee, but in no case later than eighteen (18) months prior to the projected First Commercial Sale (the **"Joint Commercialization Committee"** or **"JCC"**), the Parties shall establish the JCC. The JCC shall hold its initial meeting within thirty (30) days of its establishment. Following its initial meeting, the JCC will meet in person, by teleconference or by video-teleconference at least **[***]** per **[***]** to review and discuss material decisions and key activities that relate to the matters set forth below. The JCC will be responsible for the communication, review and discussion of the Commercialization Plan and other Commercialization matters, including marketing strategy and planning, pricing, commercial manufacture, and **[***]**, in each case in the Territory. Without limiting the foregoing, the JCC shall be responsible for: (a) reviewing and consulting with Coherus on the Commercialization Plan prior to adoption of the Commercialization Plan or changes by Licensee; (b) recommending the Commercialization Plan for approval by the JSC prior to adoption of the Commercialization Plan; (c) communicating with the JDC regarding the interrelationship between Development activities and potential Commercialization activities; (d) reviewing and monitoring the activities and progress against the Commercialization Plan; (e) monitoring and reporting on the competitive landscape for the Product in the Territory; (f) establishing appropriate processes for coordinating review of promotional materials for the Territory to ensure compliance with Applicable Laws and industry best practices; (g) overseeing the trademark and publication strategies for the Territory; and (h) communicating with the Parties regarding all of the foregoing.

4. DEVELOPMENT AND REGULATORY MATTERS.

4.1 Development Activities; Process Development Activities and Funding.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) Coherus Responsibilities. Subject to the oversight of the JDC, the JPDMC and the JSC (**[***]**), Coherus shall be solely responsible for carrying out all activities set forth in the Development Plan and the Process Development Plan. Coherus shall use Commercially Reasonable Efforts to conduct all Development and Process Development activities in accordance with the Development Plan or the Process Development Plan (as applicable) and the terms of this Agreement. Without limiting the generality of the foregoing, Coherus' responsibility with respect to Development shall include: (a) preparing Regulatory Approval Applications for submission in the Territory by and in the name of Licensee to the relevant Regulatory Authorities in the Territory; (b) carrying out all major Development tasks to be conducted prior to submission of filings for such Regulatory Approvals; (c) identifying key Development objectives, expected associated resources, risk factors, timelines, decision points and relevant decision criteria; (d) carrying out all aspects of all Clinical Trials (including bioequivalence Clinical Trials) necessary to obtain Regulatory Approval and receipt of Pricing and Reimbursement Approvals in the Territory including: (i) designing study protocols, developing **[***]**, (ii) establishing and contracting with Clinical Trial sites, investigators and CROs, (iii) enrolling Clinical Trial subjects, (iv) organizing investigator meetings, scientific meetings, advisory panel workshops and regulatory meetings, and (v) analyzing and summarizing Clinical Trial results; (e) performing any other additional clinical research in support of the Development; (f) **[***]**; (g) reporting on study design, study outcome, other communications and Regulatory Filings in the Territory to the appropriate Regulatory Authority in the Territory; and (h) submitting all Clinical Trial results and any other clinical data to the Global Clinical Database pursuant to **Section 4.7 (Coherus Global Clinical Database)**. For clarity, any Post-Regulatory Approval Activities shall be conducted by Licensee and Licensee shall **[***]**; *provided*, that to the extent Coherus had responsibility for **[***]** unless otherwise agreed.

(b) Clinical Trials in the Territory. Except as contemplated by the Global Studies and such other Phase 3 Clinical Trials being conducted by or on behalf of Coherus in support of Regulatory Approvals or Pricing and Reimbursement Approvals in the Territory, **[***]**.

(c) Expense Reports for Reimbursable Costs. Coherus shall deliver to Licensee, within thirty (30) days of the end of each Calendar Quarter, a report setting forth in reasonable detail the Reimbursable Costs for such Calendar Quarter. Licensee shall promptly notify Coherus of any good faith dispute regarding an invoice submitted pursuant to this **Section 4.1**, and the Parties shall work in good faith to exchange information to resolve such dispute; *provided, however,* **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(d) Cost Reimbursement. [***]:

(i) Global RA Study. [***] of:

(1) the Development Costs for the Global RA Study; and

(2) the Manufacturing Cost for Units (including Product contained therein) and bulk drug substance Manufactured for use in such Global RA Study; and

(3) the cost of comparator drug to be used in such Global RA Study.

(ii) Other Clinical Trials. [***] of:

(1) the Development Costs for any Clinical Trial(s) (including a Global Psoriasis Study) under the Development Plan other than the trials referenced in **Section 4.1(d)(i)(1) (Global RA Study)** above; and

(2) the Manufacturing Cost for Units (including Product contained therein) and bulk drug substance Manufactured for use in such Clinical Trial(s); and

(3) the cost of comparator drug to be used in such Clinical Trial(s).

(iii) Process Development and Manufacture Supporting Clinical Trials and Launch. [***] of:

(1) Process Development Costs, including those incurred by Coherus with respect to: (A) **[***]**, (B) **[***]** and (C) **[***]**; and

(2) the Manufacturing Cost for all Units (including Product contained therein) and bulk drug substance Manufactured to enable or support Development (including in connection with Process Development activities) **[***]**.

(e) For the avoidance of doubt, **Subsection 4.1(d)(ii)(3)** is not intended to nor shall it include **[***]** and **[***]**.

(f) Cost Reimbursement Limitations; Cost Caps. Notwithstanding anything else contained in this Agreement and in this **Section 4.1** in particular, the Parties agree as follows:

(i) Licensee **[***].**

(ii) [***]. All Reimbursable Costs for such Global Studies in excess of the Global Study Reimbursement Cap shall be shared by the Parties with Licensee being responsible for **[***]** percent (**[***]**%) of such incremental costs and Coherus being responsible for **[***]** percent (**[***]**%) of such incremental costs; *provided, however,* that any Reimbursable Costs associated with Clinical Trials in addition to the Global Studies that are requested by Licensee or any Regulatory Authority within the Territory or Licensee's request or such Regulatory Authority's request to expand the scope, numbers of patients, or otherwise to expand the Global Studies beyond their scope as of the Effective Date (inclusive of pharmacoeconomic or other clinical endpoints required to support Pricing and Reimbursement Approvals after receipt of Regulatory Approval) shall not be included for purposes of calculating whether the Global Study Reimbursement Cap has been reached or exceeded. Licensee shall **[***]**.

(iii) [***]. All Reimbursable Costs for Process Development and Manufacturing in excess of the Process Development Cap shall be shared by the Parties with Licensee being responsible for **[***]** percent (**[***]**%) of such incremental costs and Coherus being responsible for **[***]** percent (**[***]**%) of such incremental costs.

(iv) Licensee shall pay all Reimbursable Costs in excess of the Global Study Reimbursement Cap and/or Process Development Cap (as applicable) for which it is responsible pursuant to this **Section 4.1(f)(ii)** or **(iii)** within thirty (30) days of receipt of an invoice from Coherus, setting forth in reasonable detail the costs and expenses to be reimbursed by Licensee (including any reasonably requested supporting materials). Licensee shall promptly notify Coherus of any dispute regarding an invoice submitted pursuant to this **Section 4.1(d)** and the Parties shall work in good faith to exchange information to resolve such dispute; *provided*, *however*, that **[***]**.

(v) Licensee **[***]**.

(vi) For clarity, all Reimbursable Costs incurred by Coherus directly resulting from Coherus' preparation of: (A) the Regulatory Filing for the EU Regulatory Approval and (B) Regulatory Filings for the **[***]** countries within the Territory other than the EU for which Regulatory Approval is sought, shall be included as Reimbursable Costs which are subject to the cap described in this **Section 4.1(f)**. Except as set forth in the immediately preceding sentence, Licensee shall be responsible for and shall pay all Reimbursable Costs incurred by Coherus directly resulting from Coherus' preparation of Regulatory Filings for all other countries in the Territory that are approved by the JSC and such Reimbursable Costs shall not be subject to the cap described in this **Section 4.1(f)**.

(g) Coherus Reimbursement of Licensee Development Costs and Expenses. If the Product is commercialized in the United States other than by entering into a commercial arrangement therefor with Licensee, Coherus shall reimburse Licensee for **[***]** percent (**[***]**%) of the sum of all Reimbursable Costs (**[***]**) actually paid to Coherus, whether Coherus commercializes the Product in the United States with a Third Party or Coherus commercializes the Product without a Third Party. In either case, reimbursement to the Licensee shall be due forty five (45) days after the first commercial sale of the Product in the United States whether for Coherus' own account or by a Third Party.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

4.2 Development Plans. Coherus shall provide to the JDC, in advance of its first meeting, a draft Development Plan. The draft Development Plan may **[***]**. If modifications or changes to the draft Development Plan are proposed by either Party, the JDC shall review and recommend any modifications or changes thereto and shall make its recommendation to the JSC for review and approval of the draft Development Plan (as modified by the JDC). For clarity, the Illustrative Development Plan/Budget is illustrative of the activities and the budget to be considered and addressed in the draft Development Plan to be provided by Coherus to the JDC. Following approval by the JSC, the Development Plan shall be updated and/or amended by the JDC no less frequently than **[***]**, with any such updates and amendments being subject to the approval of the JSC. The Development Plan shall be consistent with and shall not contradict the terms of this Agreement without the written consent of the Parties, and in the event of any inconsistency between the Development Plan and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a Regulatory Authority or Applicable Laws requires a change to a Development Plan, the JDC shall, subject to the approval of the JSC, revise the Development Plan. For the avoidance of doubt, no Development Plan shall be binding on the Parties unless and until it has been approved by the JSC.

4.3 Efforts. Coherus shall use Commercially Reasonable Efforts to Develop the Product in the Territory in accordance with the Development Plan and the terms of this Agreement, including the preparation, for Licensee's subsequent submission to Regulatory Authorities in the Territory, of all Regulatory Filings (including Regulatory Approval Applications) covering the Product in the Territory.

4.4 Regulatory Filings.

(a) Responsibilities. Coherus shall, subject to the oversight of the JDC and approval of the JSC, have primary responsibility for preparing each Regulatory Filing in the Territory, and shall also be responsible for establishing and managing timelines for completion of each such Regulatory Filing (including drafting of responses to Regulatory Authority questions during the Regulatory Approval Application review period) until receipt of the applicable Regulatory Approval for the applicable country or region in the Territory. With respect to the Territory, and notwithstanding Coherus' obligation to prepare such filings pursuant to the preceding sentence: (i) all Regulatory Filings in the Territory shall be prepared in the name of Licensee or an Affiliate of Licensee, (ii) Licensee shall be the owner of all Regulatory Filings and all Regulatory Approvals and Pricing and Reimbursement Approvals relating thereto, and (iii) Licensee shall be responsible for submitting the Regulatory Approval Applications in the Territory to the Regulatory Authorities for approval within the timing set forth in **subsection (b)** below.

(b) Review and Submission of Regulatory Approval Applications.

(i) European Union. Coherus shall deliver to Licensee the Regulatory Approval Application **[***]** for initial review. Licensee shall promptly review and provide comments to the initial draft in a time-frame that is consistent with the document review and development plan. Subsequently, Coherus will develop a final draft of the Regulatory Approval Application and shall deliver to the Licensee for final review and approval. Within thirty (30) days of delivery of such Regulatory Approval Application, Licensee shall provide any comments for Coherus' reasonable consideration of inclusion in such Regulatory Approval Application. Failure to provide any comments within such thirty (30)-day period shall be deemed Licensee's consent to the filing of such Regulatory Approval Application, as previously delivered to Licensee, with the Regulatory Authorities in the European Union. Coherus and Licensee shall work in good faith to resolve any comments provided by Licensee within such thirty (30)-day period. If Coherus and Licensee are unable to resolve any Licensee comments within such thirty (30)-day period, any delay involved in the filing beyond the initial thirty (30)-day period shall be credited to Coherus, on a day-for-day basis, in determining the order of entrance to market for the EU Regulatory Approval Milestone. If Coherus and Licensee have resolved any such comments, but it takes longer than such thirty (30)-day period for the Parties to revise the Regulatory Approval Application for submission to the Regulatory Authorities in the European Union, **[***]**.

(ii) All Other Countries. All other Regulatory Filings for the Product in the Territory shall be subject to **[***]** prior to submission to Regulatory Authorities in the Territory.

(c) Responsible Party.

(i) Prior to submission of a Regulatory Approval Application in the name of Licensee or its Affiliate in the applicable country or jurisdiction in the Territory, Coherus shall be the responsible Party for all interactions concerning the Product with Regulatory Authorities in such country or jurisdiction, including relating to Regulatory Filings for the Global Studies and for interactions related to the design and conduct of the Global Studies and Regulatory Authority inspections of the manufacturing facilities and/or Clinical Trial sites. Coherus will be responsible for the inspection(s) findings and resulting commitments to Regulatory Authorities. Coherus shall keep Licensee reasonably informed of all communications received from Regulatory Authorities in the Territory.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(ii) After submission of a Regulatory Approval Application in the name of Licensee or its Affiliate in the applicable country or jurisdiction in the Territory, Licensee shall be the responsible Party for all interactions concerning the Product with Regulatory Authorities in such country or jurisdiction except for Regulatory Authority inspections related to the Clinical Studies and manufacturing facilities. Licensee shall keep Coherus reasonably informed of all communications received from Regulatory Authorities in the Territory.

(iii) Parties shall consult and cooperate to maximize the possibility of receipt of the Full Label in the period after filing of a Regulatory Approval Application and prior to receipt of Regulatory Approval in each country or jurisdiction in the Territory.

(d) Face-to-Face Meetings.

(i) Prior to submission of the Regulatory Approval Application in the name of Licensee or its Affiliate in the applicable country or region in the Territory, Licensee shall, at its sole cost and expense, have the right to send one (1) representative to attend all face-to-face meetings relating to the Product with any Regulatory Authority in the Territory. After submission of the Regulatory Approval Application in the name of Licensee or its Affiliate in the applicable country or region in the Territory, Coherus shall have the right to send one (1) representative to all face-to-face meetings relating to the Product with any Regulatory Authority in the Territory.

(ii) Licensee shall, at its sole cost and expense, have the right to send one (1) representative to attend all face-to-face meetings relating to the Product, solely as an observer, with Regulatory Authorities for unpartnered territories for the Product. In addition, Coherus will request that each Third Party partner of Coherus for the Product permit the participation of one (1) Licensee representative in such meetings within such partner's territories.

(e) Manufacturing Facility and/or Clinical Site Inspections. Prior to and following Regulatory Approval of the Product, Licensee shall, at its sole cost and expense, have the right to send one (1) representative to attend all Regulatory Authority inspections of manufacturing facility(ies) and/or Clinical Trial sites.

(f) Regulatory Communications.

(i) Except as otherwise provided for in this **Section 4.4(f)**, each Party shall provide summaries for each Calendar Quarter to the other Party of any oral or any substantive written communications to or from Regulatory Authorities on matters relating to the Product in the Territory. Notwithstanding the foregoing, each Party shall notify the other Party of any oral communications with, and provide such other Party with copies of any written communications to or from, Regulatory Authorities on matters which may reasonably be deemed to impact Development, Manufacture, Process Development, Commercialization or Regulatory Approval and Pricing and Reimbursement Approvals as soon as reasonably practicable (but in all events within seventy two (72) hours of receipt of such communication, or such earlier date as required by Applicable Laws). Moreover, in each such case, each Party shall give the other Party reasonable opportunity to review and comment on any proposed response to any such oral or written communications relating to the Product to or from Regulatory Authorities prior to submitting any response thereto, and provide such other Party with a copy of the final response as specified herein.

(ii) Coherus shall promptly notify Licensee of all communications received by Coherus from Regulatory Authorities **[***]** and Coherus shall **[***]**.

(g) Regulatory Reports. Each Party shall provide the other Party, at such other Party's request and expense, with summary documents related to the Product in the Territory for Regulatory Filings, Regulatory Approvals and Pricing and Reimbursement Approvals and key interactions with Regulatory Authorities relating thereto for which it is the responsible Party. In addition, each Party shall keep the other Party informed on a regular basis (**[***]**) of Regulatory Filings in the Territory.

4.5 Development Reports. At least **[***]** per **[***]**, Coherus will provide the JDC with written Development reports or presentations. Each report or presentation shall include, but not be limited to, the Development activities accomplished by or on behalf of Coherus since the previous JDC meeting, including a summary of significant results and Information generated, significant challenges anticipated and **[***]**. Upon request by Licensee, Coherus shall provide Licensee additional information with respect to the material experimental data underlying such summary, summaries of available clinical protocols, investigator brochures, regulatory submissions and correspondence from Regulatory Authorities with respect to the Product. Upon request of either Party, the other Party's JDC members shall meet with the requesting Party's JDC members to discuss any aspects of such reports within a reasonable time period after such request. Coherus shall keep, and shall require its Affiliates, agents and Third Party service providers to keep (all in accordance with the Accounting Standards), accurate records in sufficient detail to allow Reimbursable Costs to be determined for a period of at least three (3) Calendar Years to facilitate the audits contemplated under **Section 7.8 (Audit Request).**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

4.6 Right of Reference.

(a) Coherus hereby grants to Licensee, its Affiliates and Sublicensees a right of reference (including the right to inspect) to any Regulatory Filings for the Product **[***]**.

(b) Licensee hereby grants to Coherus, its Affiliates and licensees a right of reference (including the right to inspect) to any Regulatory Filings for the Product **[***]**.

4.7 Coherus Global Clinical Database.

(a) Subject to **Section 4.8 (Pharmacovigilance)**, Coherus shall create a global database for all Clinical Trial results and clinical data related to the Product submitted by Coherus and/or its licensees throughout the world to applicable Regulatory Authorities (the **"Global Clinical Database"**). The purpose of the Global Clinical Database will be for Coherus and its exclusive licensees who submit data to the Global Clinical Database to share such data in support of their Regulatory Filings, and, in the case of Coherus, for any purpose generally related to enhancing Coherus' understanding of, or to improving, the Product.

(b) Coherus shall have the right to submit all clinical data pertaining to the Product in the Territory **[***]**.

(c) Coherus shall be responsible for managing, maintaining, and updating the Global Clinical Database in accordance with Applicable Laws and shall have the right to share any and all de-identified information received from Licensee under this **Section 4.7** with Coherus' Affiliates, and with all licensees of Coherus outside the Territory relating to the Product who submit data to the Global Clinical Database.

(d) Licensee shall have reasonable access to the Global Clinical Database in connection with the activities contemplated by this Agreement including for use in its Regulatory Filings, without cost (other than any cost charged by the Third Party database provider associated with the transfer of data from the Global Clinical Database to Licensee for its use in connection with Regulatory Filings), and shall have the right to share any and all Information in the Global Clinical Database with Licensee's Affiliates and Sublicensees in the Territory.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

4.8 Pharmacovigilance. Ninety days prior to the submission of a Regulatory Approval Application in any country in the Territory but in no event later than twelve (12) months after the Effective Date, the Parties shall enter into a pharmacovigilance agreement concerning all matters relating to the pharmacovigilance and the exchange of all relevant Information that relates to the safety of the Product worldwide and especially all adverse events. Generally, (a) Licensee shall be responsible for reporting all adverse drug reactions required to be reported to the Regulatory Authorities in the applicable countries in the Territory, in accordance with Applicable Laws; and (b) Coherus, its Affiliates or licensees or sublicensees shall be responsible for submitting all Regulatory Filings and for reporting of all adverse drug reactions, relating to the Product required to be reported to the appropriate Regulatory Authorities outside of the Territory in accordance with the Applicable Laws of the relevant countries. Coherus shall have the right to share any and all information received from Licensee under this **Section 4.8** with Coherus' Affiliates and licensees and sublicensees outside the Territory. Licensee shall have the right to share any and all information received from Coherus under this **Section 4.8** with Licensee's Affiliates and Sublicensees in the Territory. The JSC shall review from time to time Licensee's pharmacovigilance policies and procedures.

4.9 Formulation Development. Coherus shall be responsible for **[***]** development of Product formulations and performance of stability analyses on such formulations.

4.10 Initial Development Activities. The Parties acknowledge that during the thirty (30)-day period immediately following the Effective Date, Coherus will undertake the activities set forth in **Exhibit 1.29 (Initial Development Activities)**, pursuant to which Coherus will incur the Reimbursable Costs included therein.

4.11 Development Partners. To the extent that Coherus is not, as of the Effective Date, contractually obligated to use a specific Third Party for any Development activities contemplated by this Agreement, the Parties shall discuss and consider in good faith the Third Parties to be used for such activities at meetings of the JDC.

5. MANUFACTURING.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

5.1 Manufacturing and Supply of Product. Within one hundred eighty (180) days following completion of enrollment in the Global RA Study, the Parties shall negotiate in good faith and enter into a definitive written commercial supply agreement (the **"Manufacturing and Supply Agreement"** or **"MSA"**) and a quality agreement related thereto, pursuant to which Coherus, either directly or through its designee, shall Manufacture and supply to Licensee, its Affiliates and Sublicensees (as applicable) all of Licensee's, its Affiliates' and Sublicensees' requirements of Units for Commercialization in the Territory. The MSA will provide, among other things, that all Product supplied thereunder will meet the Product specifications set forth in the applicable Regulatory Filings and Regulatory Approvals and any Pricing and Reimbursement Approvals in the Territory and shall contain customary terms and conditions including: **[***]** and shall otherwise be consistent with the terms and conditions in this **Article 5**. The Manufacturing and Supply Agreement shall provide that Coherus shall have the right to supply Product or Units produced at facilities licensed under Licensee's Regulatory Approval to its ex-Territory licensees of Product. The MSA shall also include **[***]**.

5.2 Manufacturing Regulatory Filings. Coherus shall be solely responsible for the preparation and submission of all Manufacturing Regulatory Filings, including with respect to the use of any Third Party to Manufacture and supply the Product. Licensee shall provide Coherus such reasonable cooperation as may be requested by Coherus in connection with any such Manufacturing Regulatory Filings, and Coherus shall **[***]**. In addition, upon the written request of Coherus, Licensee shall provide to Coherus one (1) complete copy of each Regulatory Filing and each Regulatory Approval for Coherus', its Affiliates' or licensees' use in Manufacturing the Product for sale or use outside the Territory, and Licensee hereby grants to Coherus, its Affiliates and licensees the right to provide each such Regulatory Filing and Regulatory Approval to Regulatory Authorities outside the Territory.

5.3 Process Development and Capital Expenditures.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) Process Development. Coherus, through the JPDMC, shall develop a Process Development Plan (as well as the anticipated associated budget) for review by the JPDMC and subsequent approval by the JSC. The Process Development Plan shall include the plan for implementing Process Developments **[***]** and such Process Development Plan shall include provisions for **[***]**. Any amendment or update to an approved Process Development Plan is subject to review by the JPDMC and approval by the JSC. The Process Development Plan shall be consistent with and shall not contradict the terms of this Agreement without the written consent of the Parties, and in the event of any inconsistency between the Process Development Plan and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a Regulatory Authority or Applicable Laws requires a change to a Process Development Plan, the JPDMC shall revise the Process Development Plan to the extent necessary to comply with such requirement and shall promptly submit the revised Process Development Plan to the JSC for approval. Licensee shall bear all costs and expenses for the activities contemplated in the Process Development Plan pursuant to **Section 4.1(d)(iii)(1)**.

(b) Process Development Plan. Coherus shall retain sole responsibility for performing any activities under an approved Process Development Plan**[***]**.

(c) Capital Expenditures for Post Launch Expansion. [***] associated with the construction of all Manufacturing facilities necessary to satisfy Licensee's, its Affiliates' and Sublicensees' requirements for Product pursuant to **Section 5.1** and the MSA. For clarity, the **[***]** are separate and distinct from, and shall not include, the costs and expenses for Process Development borne by Licensee pursuant to **Section 4.1(d)(iii)(1)** above.

5.4 Records. Each Party shall, and shall require its Affiliates, subcontractors and sublicensees to, maintain records of all work conducted by such Party in connection with the Process Development activities and the Manufacture of Product or Units and all results, Information, and developments made in conducting such activities in accordance with Applicable Laws. Such records shall be complete and accurate and shall fully and properly reflect all such work done and all results achieved in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes.

5.5 [***] Technology Transfer. The Parties shall agree on a process for, and shall prepare appropriate documentation pertaining to, the implementation of a technology transfer of all know-how (including all Coherus Know-How) necessary for a Third Party to Manufacture or have Manufactured the Product for Commercialization in **[***]**, and the Parties shall execute an agreement thereon (the **"Technology Transfer Agreement"**). The Technology Transfer Agreement shall specify, among other items: (i) the composition of the technology transfer teams, and (ii) a timeline for technology transfer and (iii) the responsibilities of the Parties with respect thereto. The costs and expenses of executing the technology transfer pursuant to the Technology Transfer Agreement shall be borne solely by Licensee**[***]**.

6. COMMERCIALIZATION.

6.1 Efforts. Licensee shall be responsible for Commercialization of the Product in the Territory, and, as between the Parties, shall book all sales of the Product in the Territory. Licensee shall use Commercially Reasonable Efforts to Commercialize the Product in each of the Major EU Countries, **[***]** in accordance with the Commercialization Plan and the terms of this Agreement. Without limiting the obligation set forth in the immediately preceding sentence, Licensee shall initiate Commercialization activities within each of the Major EU Countries within three (3) months following **[***]** for the Product in the applicable Major EU Country.

6.2 Commercialization Plan.

(a) Initial Commercialization Plan. No later than eighteen (18) months prior to the anticipated commercial launch of the Product in the Territory, Licensee will provide to the JCC for review its initial Commercialization Plan for the Territory. Such initial Commercialization Plan will describe Licensee's plans for activities to be conducted for the Territory on a country-by-country basis. The Commercialization Plan shall include the details of activities to be performed by Licensee, its Affiliates and/or Sublicensees relative to the applicable stage of Commercialization (*e.g.*, pre-launch, launch planning, launch, or post-launch) during the time period covered by such Commercialization Plan and subsequent time periods.

(b) Updated Commercialization Plan Prior to First Commercial Sale. Prior to the First Commercial Sale in the Territory, Licensee will provide to the JCC for review and subsequent review and approval by the JSC, an updated Commercialization Plan for the Territory on a country-by-country basis. Such updated Commercialization Plan will include Licensee's updated plans for activities to be conducted for the Territory, on a country-by-country basis, prior to launch as well as activities to be conducted in connection with such launch.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(c) Updated Commercialization Plan After First Commercial Sale. Promptly after the first anniversary of the First Commercial Sale in the Territory and thereafter on each subsequent anniversary during the Term, Licensee will provide to the JCC for review an updated Commercialization Plan for the Territory on a country-by-country basis. Such updated Commercialization Plan will include, but not be limited to, Licensee's plans for Commercialization activities for the Territory, on a country-by-country basis, for the twelve (12) month period following the date of delivery of such Commercialization Plan.

(d) General. Each Commercialization Plan shall be consistent with and shall not contradict the terms of this Agreement **[***]**, and in the event of any inconsistency between the Commercialization Plan and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a Regulatory Authority or Applicable Laws requires a change to the Commercialization Plan, the JSC shall revise the Commercialization Plan to the extent necessary to comply with such requirement and shall promptly provide the revised Commercialization Plan to the JSC for approval.

6.3 Trademarks.

(a) Product Trademark; Licensee Trademark. Subject to **Section 6.3(d) (Use of Coherus Trademarks)**, all Product, including all packaging, promotional materials, package inserts, and labeling for the Product, shall bear one or more Trademark(s) that pertain specifically to the Product in the Territory, to be determined by the JSC and owned by Licensee (**"Product Trademark"**). Further, to the extent allowed by Applicable Laws, the Licensee may include on such packaging, promotional materials, package inserts, and labeling for the Product additional Licensee Trademarks.

(b) Global Brand Trademark. Licensee shall have the option**[***]** to use one or more Trademark(s) Controlled by Coherus that pertain specifically to the Product outside of the Territory for the Product in the Territory (the "**Global Brand Trademark**") in place of using the Product Trademark under **Section 6.3(a) (Product Trademark; Licensee Trademark)**. Such Global Brand Trademark may be used in the Territory including on all packaging, promotional materials, package inserts, and labeling for the Product.

(c) Trademark Prosecution and Maintenance. Licensee shall **[***]** be responsible for filing, prosecuting and maintaining (including searching and policing) any and all Product Trademarks and Licensee Trademarks, and conducting litigation with respect thereto. Coherus shall **[***]** be responsible for filing, prosecuting and maintaining (including searching and policing) any and all Global Brand Trademarks and Coherus Trademarks, and conducting litigation with respect thereto.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(d) Use of Coherus Trademark. To the extent permitted by Applicable Laws **[***]** (but subject to the remainder of this **Section 6.3**), Licensee may include on the packaging, promotional materials, package inserts, and labeling for the Product, the Coherus Trademark. In connection therewith and subject to the terms and conditions of this Agreement, Coherus hereby grants to Licensee a non-exclusive, royalty-free license, under the Coherus Trademarks and, subject to Licensee's option under **Section 6.3 (Global Brand Trademark)**, under the Global Brand Trademarks, with the right to grant sublicenses in accordance with **Section 2.2 (Sublicense Rights)**, throughout the Territory, to use and display the Coherus Trademarks in connection with the Commercialization throughout the Territory, as provided under and in accordance with this **Section 6.3**. All representations of the Coherus Trademark(s) that Licensee so uses, if intended to be disclosed to Third Parties and not previously approved by Coherus, will first be submitted to Coherus for approval**[***]**, and Coherus will have fifteen (15) Business Days to review and approve each such representation of the Coherus Trademark(s). **[***]**. Licensee shall not use any Coherus Trademark outside the scope of this Agreement, and shall not knowingly take any action that would materially adversely affect the value of any Coherus Trademark. Coherus shall retain the right to monitor the quality of the goods on or with which any Coherus Trademark is used solely to the extent necessary to maintain Coherus' Trademark rights. For clarity, should Applicable Laws only permit one Trademark (*i.e.* Licensee Trademark or Coherus Trademark) on the Product, the Licensee Trademark shall be the Trademark used.

7. PAYMENT OBLIGATIONS.

7.1 Payment Structure. In consideration for the rights granted to Licensee under this Agreement, Licensee shall pay Coherus the amounts set forth in **Exhibit 7.1 (Payment Structure)**.

7.2 Coherus Reports. During the Term following the First Commercial Sale, within forty five (45) days after the end of each Calendar Quarter, Coherus shall provide a report showing the Manufacturing Cost per Unit for each configuration of Units supplied to Licensee for the immediately preceding Calendar Quarter.

7.3 Licensee Reports and Payments. During the Term following the First Commercial Sale, within sixty (60) days after the end of each Calendar Quarter, Licensee shall pay to Coherus the Coherus Royalty (as such term is defined in **Exhibit 7.1**) and shall provide a report showing, on a country-by-country basis, the items set forth below in this **Section 7.3**. If no Coherus Royalty is due for any period hereunder, Licensee shall so report, otherwise the report shall set forth:

(a) the gross amount invoiced for and the Net Sales during such Calendar Quarter reporting period, including the specific deductions applied in the calculation of such Net Sales amounts;

(b) the Manufacturing Cost per Unit (as provided by Coherus in its quarterly report);

(c) the related Coherus Royalty in Dollars which shall have accrued hereunder with respect to such Net Sales; and

(d) the rate of exchange used by Licensee in determining the amounts payable hereunder in Dollars.

7.4 Sublicensing. In the event Licensee grants one or more sublicenses under **Section 2.2 (Sublicense Rights)** to a Sublicensee to offer to sell or sell Product in the Territory each sublicense agreement shall require the applicable Sublicensee to account for and report its net sales of the Product on the same basis as if such sales were Net Sales by Licensee, and Licensee shall pay a Coherus Royalty on such sales as if the net sales of the Sublicensees were Net Sales of Licensee.

7.5 Currency of Payment. All payments to be made under this Agreement shall be made in Dollars. Net Sales made in foreign currencies shall be converted into Dollars using **[***]** for each of the three calendar months included in the Calendar Quarter in which such Net Sales were made.

7.6 Records; Accounting.

(a) Licensee shall keep, and shall require its Affiliates and Sublicensees to keep (all in accordance with the Accounting Standards and Licensee's applicable policies and practices as such may be modified from time to time), complete and accurate records in sufficient detail to properly reflect the Net Sales and to enable the Coherus Royalty payable hereunder (if any) to be determined for a period of at least **[***]** Years or as otherwise necessary to facilitate the audits contemplated under **Section 7.8 (Audit Request)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Licensee shall determine Net Sales consistent with the Accounting Standards and Licensee's applicable policies and practices as such may be modified from time to time. In the case of amounts to be determined by Third Parties (for example, net sales by Sublicensees), such amounts shall be determined in accordance with the Accounting Standards in effect in the country in which such Third Party is engaged. Licensee retains the right to modify its policies and practices to comply with specific changes in the Accounting Standards and as otherwise deemed necessary or appropriate by Licensee but shall not do so solely to reduce the amount of payments due to Coherus hereunder. Where Coherus notifies Licensee that the change is material to Coherus, Licensee shall provide an explanation of the change and an accounting of the effect of the change on the relevant revenue, cost, or expense category.

(c) In the event of the payment or receipt of non-cash consideration in connection with the performance of activities under this Agreement, Licensee shall advise Coherus of such transaction, including Licensee's assessment of the fair market value of such non-cash consideration and the basis therefor. Such transaction shall be accounted for on a cash equivalent basis, as mutually agreed by the Parties in good faith.

7.7 Withholding Tax. Licensee shall bear any and all taxes required to be paid on amounts due to Coherus, and Licensee shall not be entitled to deduct such payments from such amounts payable to Coherus under **Section 7.1 (Payment Structure)**. For clarity, amounts due to Coherus under **Section 7.1** shall be based on amounts due to Coherus prior to any deduction as a result of taxes payable by Licensee. Coherus shall reasonably cooperate with Licensee to facilitate appropriate proceedings required by tax authorities in the Territory relating to the payments hereunder.

7.8 Audit Request. Each Party shall, at its sole cost and expense (except as provided below), have the right one (1) time each Calendar Year to audit, during regular business hours and upon not less than fifteen (15) days prior written notice to the other Party, the books and records maintained by such other Party to determine with respect to any Calendar Year, the accuracy of any report or payment made or expense charged by one Party to the other under this Agreement in the [***] Calendar Years. If a Party desires to audit such records, it shall engage an independent, certified public accountant reasonably acceptable to the other Party, to examine such records under conditions of confidentiality. Such accountant shall be instructed to provide to the auditing Party a report verifying any report made or payment submitted or expense charged by the other Party during such period, but shall not disclose to the auditing Party any Confidential Information of the other Party not necessary to be disclosed. The expense of such audit shall be borne by the auditing Party; *provided, however*, that, if an error of more than five percent (5%) is discovered, then such expenses shall be paid by the other Party. If such accountant concludes that additional payment amounts were owed or additional expenses were charged to the auditing Party during any period, the other Party shall pay such payment amount (including interest thereon pursuant to **Section 7.9 (Interest)** from the date such amounts were payable) within thirty (30) days after the date the auditing Party delivers to the other Party such accountant's written report so concluding, unless such other Party notifies the auditing Party of any dispute regarding the audit and commences proceedings under **Article 14 (DISPUTE RESOLUTION)** within thirty (30) days after delivery of the accountant's report (in which case the payment shall be delayed until conclusion of the proceeding). Such auditors shall not be paid on a contingency basis.

7.9 Interest. Interest shall be payable: (a) on any payments that are not paid on or before the date such payments are due under this Agreement calculated based on the total number of days payment is delinquent and (b) on any errors identified pursuant to the audit conducted pursuant to **Section 7.8 (Audit Request)** calculated from the date such payments were originally made at **[***]**, or the maximum applicable legal rate, if less.

8. INTELLECTUAL PROPERTY AND INVENTIONS.

8.1 Intellectual Property. Except as otherwise expressly set forth in this Agreement, neither Party grants to the other Party any right, title, or interest in any Patent, Patent Application, Information, Trademark, or other intellectual property right Controlled by such Party.

8.2 Disclosure. Each Party shall promptly disclose to the other Party any Inventions that it or its employees, sublicensees, Affiliates, independent contractors or agents solely or jointly make, conceive, reduce to practice, author, or otherwise discover in the course of activities performed under or contemplated by this Agreement.

8.3 Ownership of Inventions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) Generally.

(i) Subject to the license granted in **Section 2.1(a) (Development and Commercialization License to Licensee)**, and as between Coherus and Licensee, Coherus owns: (a) all Coherus Inventions (b) any Joint Inventions to the extent such Joint Inventions relate **[***]** (the **"Coherus-Owned Joint Inventions"**) and (c) any Licensee Inventions to the extent such Licensee Inventions relate **[***]** (the **"Coherus-Owned Licensee Inventions"**).

(ii) Subject to the license granted in **Section 2.1(b) (Licenses to Coherus)**, and as between Coherus and Licensee, Licensee owns all Licensee Inventions (excluding Coherus-Owned Licensee Inventions).

(iii) Each Party owns an undivided one half (1/2) interest in: (a) all Joint Inventions (excluding the Coherus-Owned Joint Inventions) and (b) all Patents and Patent Applications claiming all Joint Inventions (excluding those Patents and Patent Applications for the Coherus-Owned Joint Inventions). Coherus' interest in any Patents and Patent Applications covering Joint Inventions shall be included in the Coherus Patent Rights, and Licensee's interest in any Patents and Patent Applications covering Joint Inventions shall be included in the Licensee Patent Rights.

(b) Ownership Disputes. The **[***]** shall attempt in good faith to resolve any disputes arising hereunder regarding ownership of Inventions, Patents and any other intellectual property. In the event the **[***]** is unable to resolve such dispute within thirty (30) days after its receipt of notice of the dispute, the dispute resolution procedure set forth in Article 14 (Dispute Resolution) shall apply.

(c) Assignment and Perfection of Interests. Without additional consideration, each Party hereby assigns to the other Party such of its right, title, and interest in and to any Inventions, Patents, and Patent Applications claiming them, and all other intellectual property rights therein, and shall require its sublicensees and Affiliates, and all independent contractors, employees, or agents of such Party, its Affiliates, or its sublicensees to so assign to the other Party such of their right, title, and interest in and to them, as is necessary to effectuate the allocation of right, title, and interest in and to Inventions as set forth in this **Section 8.3.** Each Party shall, and shall cause its sublicensees and Affiliates, and all independent contractors, employees, and agents of such Party, its Affiliates, or its sublicensees to, cooperate with the other Party and take all reasonable additional actions and execute such agreements, instruments, and documents as may be reasonably required to perfect the other Party's right, title, and interest in and to Inventions, Patents, and Patent Applications and other intellectual property rights thereon or therein as such other Party has pursuant to this **Section 8.3.** If a Party is unwilling or unable to execute any such agreements, instruments, and documents, it hereby appoints the other Party as its attorney-in-fact, which shall be coupled with an interest, to execute the same on its behalf. Each Party shall also include provisions in its relevant agreements with Third Parties that effect the intent of this **Section 8.3(c).**

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8.4 Individual Patent Filings. Each Party will, to the maximum extent practicable, strive to separate any claims within Patents and Patent Applications that claim Inventions into separate Patents and Patent Applications consisting of claims that claim solely Coherus Inventions, solely Licensee Inventions, or solely Joint Inventions.

(a) Solely Owned Inventions. Coherus shall have sole discretion and responsibility to prepare, file, prosecute, and maintain any and all Patents and Patent Applications within the Coherus Patent Rights. Licensee shall have sole discretion and responsibility to prepare, file, prosecute, and maintain any and all Patents and Patent Applications within the Licensee Patent Rights. At least sixty (60) days prior to the contemplated filing date of any Patent Application in the Territory claiming a Party's solely-owned Invention, such Party **[***]**, **[***]**, and **[***]**, and shall **[***]** with respect to such Patent Application. Licensee shall **[***]** pursuant to this **Section 8.4(a)** for Patents and Patent Applications within the Licensee Patent Rights, and Coherus shall **[***]** pursuant to this **Section 8.4(a)** for Patents and Patent Applications within the Coherus Patent Rights.

(b) Opt-In Rights. If a Party elects, in any country of the Territory, not to file or not to continue to prosecute and thereby abandon a Patent or Patent Application within the patent rights licensed to the other Party under this Agreement, or not to maintain and thereby abandon such a Patent or Patent Application, without the intent to file a continuing or divisional filing or an equivalent thereof or upon advice of patent counsel to optimize the overall patent protection on the Product or Process Development, such Party (the **"Opting-Out Party"**) shall notify the other Party (the **"Opting-In Party"**) not less than thirty (30) days before any relevant deadline, and thereafter such Opting-In Party shall have the right, but not the obligation, to pursue, **[***]** preparation, filing, prosecution, and maintenance of such Patent or Patent Application; *provided, however*, that the Opting-In Party provides the Opting-Out Party with **[***]** at least thirty (30) days prior to the proposed submission date and such Opting-Out Party determines**[***]** that any such submission will not prejudice any other Patents and Patent Applications of such Opting-Out Party.

8.5 Joint Patent Filings. With respect to all Patents and Patent Applications claiming Joint Inventions, but not Coherus Inventions (the **"Joint Patent Rights"**), Coherus shall have the first right, but not the obligation, to file, prosecute, maintain, and defend such Joint Patent Rights on behalf of both Parties (the **"Responsible Party"**). At least sixty (60) days prior to the contemplated filing of any Joint Patent Right, Coherus shall submit a substantially completed draft of such Joint Patent Right to Licensee for its approval, which shall not be unreasonably withheld, delayed, or conditioned. Except as set forth in this **Section 8.5**, below, the Parties shall **[***]**, pursuant to **[***]** (**[***]**). If Coherus does not wish to file, prosecute, or maintain any Joint Patent Right or maintain or defend such a Joint Patent Right in a particular country, it shall grant Licensee any necessary authority to file, prosecute, and maintain such Joint Patent Right or maintain or defend such Joint Patent Right in the name of both Parties if Licensee so requests. If either Party elects **[***]**, it shall so notify the other Party, in which case the other Party may proceed with respect to such Joint Patent Right in its own name **[***]**. In such case, the **[***]** shall **[***]** such Joint Patent Right **[***]**.

8.6 Defense of Infringement Claims by Third Parties.

(a) In the event of the institution or threatened institution of any suit by a Third Party against Licensee for infringement involving Commercialization, Licensee shall have the right to defend such suit at its own expense and shall be responsible for all damages (including lost profits) incurred as a result thereof. Coherus hereby agrees to assist and cooperate with Licensee, at Licensee's reasonable request, and Licensee shall reimburse Coherus any reasonable, documented, out-of-pocket costs incurred in connection therewith. Licensee shall solely control the defense of such a claim and shall also have the right to control settlement of such claim; *provided*, *however*, that any such settlement shall not adversely affect Coherus' rights or interests without Coherus' prior written consent, which shall not be unreasonably withheld, delayed, or conditioned. Subject to such control, Coherus may join any defense and settlement pursuant to this **Section 8.6 with its own counsel at its sole cost.**

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(b) In the event of the institution or threatened institution of any suit by a Third Party against Coherus for infringement involving the development, Manufacture, or Commercialization of the Product in the Territory, Coherus shall have the right to defend such suit at its own expense and shall be responsible for all damages incurred as a result thereof. Licensee hereby agrees to assist and cooperate with Coherus, at Coherus' reasonable request, and Coherus shall reimburse Licensee any reasonable, documented, out-of-pocket costs incurred in connection therewith. Coherus shall solely control the defense of such a claim and shall also have the right to control settlement of such claim; *provided, however*, that any such settlement shall not adversely affect Licensee's rights or interests without Licensee's prior written consent, which shall not be unreasonably withheld, delayed, or conditioned. Subject to such control, Licensee may join any defense and settlement pursuant to this **Section 8.6** with its own counsel at its sole cost.

(c) If such Third Party asserts that a patent or other intellectual property right owned by it is infringed by the Development, Manufacture or Commercialization of the Product in the Territory by both of the Parties, then the Parties shall meet and confer, and both Parties shall have the sole right to defend against any such assertions with respect to its activities at its respective sole cost. Regardless of which Party is the defending Party (or if both Parties are a defending Party), the defending Party shall seek and reasonably consider the other Party's comments before determining the strategy for such matter. Without limiting the foregoing, the defending Party shall keep the other Party advised of all material communications and actual and prospective filings or submissions regarding such action, and shall provide the other Party copies of and an opportunity to review and comment on any such communications, filings and submissions before delivered or filed. Each Party shall keep the other reasonably informed of all claims and actions governed by this **Section 8.6**.

(d) In the event the Parties mutually agree that a settlement of any suit involving payment of prospective royalties is reasonable and necessary for continued Commercialization of Product in the Territory, the Parties shall consult in good faith and discuss a mutually satisfactory basis for sharing responsibility for such prospective royalties. In the absence of such agreement, the Parties shall share responsibility for such royalties as described in Exhibit 7.1 (Payment Structure).

(e) In the event Licensee is required to pay damages and/or lost profits pursuant to paragraph (a) above, Licensee shall be entitled to deduct from Coherus Royalty payments up to **[***]** of the amount of such damages and/or lost profits; *provided, however,* the amount of such deduction applied by Licensee when added to any Third Party Payments in any given Calendar Quarter shall not reduce the Coherus Royalty payment by more than **[***]** in such Calendar Quarter.

8.7 Enforcement Actions Against Third Parties.

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(a) If either Party learns of an infringement, unauthorized use, misappropriation, ownership claim, threatened infringement, or other similar claim by a Third Party with respect to the Coherus Patent Rights or Coherus Know-How in the Territory, such Party shall promptly notify the other Party in writing and shall promptly provide such other Party with available evidence of such infringement or other such claim.

(b) Coherus shall have the first right, but not the obligation, to institute an infringement suit or take other appropriate action against such Third Party in the Territory. If Coherus does not secure actual cessation of such infringement, misappropriation or institute a proceeding (which may include sending a cease and desist letter if appropriate) against an offending Third Party with respect to infringement of such Coherus Patent Rights or misappropriation of such Coherus Know-How as a result of the development, manufacture, commercialization or use of a product that is competitive with the Product in the Territory (**"Enforcement Action"**), Coherus shall notify Licensee as soon as reasonably practicable but in any case no later than sixty (60) days of learning of such infringement. Upon receipt of such notice or absent such notice within such sixty (60) days, Licensee shall have the right at its sole discretion to institute an Enforcement Action in the name of either or both Parties. Each Party shall execute all necessary and proper documents, take such actions as shall be appropriate to allow the other Party to institute and prosecute such infringement actions and shall otherwise cooperate in the institution and prosecution of such actions (including consenting to being named as a nominal party thereto).

(c) The costs and expenses of any such Enforcement Action (including fees of attorneys and other professionals) shall be borne **[***]**.

9. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

9.1 Mutual Representations and Warranties. Each Party represents and warrants to the other, as of the Effective Date, as follows:

(a) such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement;

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(b) the execution and delivery of this Agreement and the performance by such Party of the transactions contemplated hereby have been duly authorized by all necessary corporate action and will not violate: (i) such Party's certificate of incorporation or bylaws, (ii) any agreement, instrument or contractual obligation to which such Party is bound in any material respect, (iii) any requirement of any Applicable Laws, or (iv) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party;

(c) this Agreement is a legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms and conditions;

(d) such Party is not under any obligation, contractual or otherwise, to any person or entity that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder;

(e) to such Party's knowledge, all of its employees, officers, contractors, and consultants have executed agreements requiring assignment to such Party of all Inventions made during the course of and as a result of their association with such Party and obligating each such employee, officer, contractor, and consultant to maintain as confidential the Confidential Information of such Party; and

(f) neither such Party, nor any of its employees, officers, subcontractors or consultants who have rendered or will render services relating to the Product: (i) has ever been debarred (or is subject to debarment) or convicted of a crime for which an entity or person could be debarred under 21 U.S.C. Section 335a or its foreign equivalent or (ii) has ever been under indictment for a crime for which a person or entity could be debarred under any such provision.

9.2 Additional Representations, Warranties, and Covenants of Coherus. Coherus hereby represents, warrants, and covenants to Licensee that:

(a) as of the Effective Date, Coherus is entitled to grant the rights and licenses granted to Licensee as set forth in this Agreement;

(b) Coherus has not granted in the Territory as of the Effective Date, and will not grant during the Term, any right or license in or to any of the Coherus Patent Rights in the Territory that is in conflict with the rights or licenses granted to Licensee under this Agreement;

(c) Coherus has not granted in the Territory as of the Effective Date, and will not knowingly grant during the Term, any right or license in or to any of the Coherus Know-How in the Territory that is in conflict with the rights or licenses granted to Licensee under this Agreement;

(d) Coherus has not granted any liens or security interests to the Coherus Know-How or Coherus Patent Rights other than under any licenses or sublicenses;

(e) there are no existing or, to the knowledge of Coherus, threatened, actions, suits or claims pending with respect to the right of Coherus to enter into and perform its obligations under this Agreement;

(f) Coherus has not received, with respect to the Coherus Know-How or Coherus Patent Rights, any written notice of infringement or misappropriation or any other written communication relating to an alleged infringement or misappropriation of any patent rights or any know-how Controlled by a Third Party; and

(g) [***].

9.3 Additional Representations, Warranties, and Covenants of Licensee. Licensee hereby represents, warrants, and covenants to Coherus that:

(a) as of the Effective Date, Licensee is entitled to grant the rights and licenses granted to Coherus as set forth in this Agreement;

(b) Licensee has not granted in the Territory as of the Effective Date, and will not grant during the Term, any right or license in or to any of the Licensee Patent Rights or Grant-Back IP that is in conflict with the rights or licenses granted to Coherus under this Agreement;

(c) Licensee has in place policies related to ensuring that its business operations and practices are compliant with all Applicable Laws in the United States and the Territory relating to anti-corruption, including the Foreign Corrupt Practices Act of 1977, as amended, and those enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions. Coherus acknowledges that Licensee has provided to Coherus prior to the Effective Date copies of the following Licensee policies: (a) International Anticorruption Policy, (b) International Anticorruption Third Party Policy and (c) Code of Conduct (collectively, as such may be amended from time to time in accordance with Licensee's customary practices, the **"Policies and Codes"**);

(d) Licensee will use best efforts to ensure that, throughout the Term, it, its Affiliates, Sublicensees and agents comply with the Policies and Codes;

(e) At Coherus' reasonable request (including to permit Coherus to respond to inquiries regarding compliance with Applicable Laws), Licensee shall promptly provide to Coherus then-current copies of the Policies and Codes; and

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(f) Licensee shall use best efforts to ensure that any Third Party who represents Licensee or its Affiliates in connection with, or who will be involved in performing, this Agreement or any related activity, shall certify to compliance with all applicable anti-corruption laws and the obligations set forth in the Policies and Codes prior to any involvement in this Agreement or any related activity.

9.4 Additional Covenants of the Parties. Each Party hereby covenants to the other Party that:

(a) if, during the Term, such Party has reason to believe that it or any of its employees, officers, subcontractors, or consultants rendering services relating to the Product: (a) is or will be debarred, excluded under any United States federal healthcare programs or convicted of a crime under 21 U.S.C. Section 335a or the foreign equivalent thereof, or (b) is or will be under indictment under any such provision, then such Party shall immediately notify the other Party in writing;

(b) all of such Party's employees and officers involved in development of the Product shall be obligated to assign to such Party all Inventions and to maintain as confidential any and all Confidential Information; and

(c) it shall, in performing the activities contemplated to be performed by it under this Agreement, including those in connection with the Development, Process Development, Manufacturing and Commercialization, and shall ensure that each of its Affiliates, subcontractors and agents shall, comply with all Applicable Laws.

9.5 Covenant Not to Challenge Patents. Licensee hereby covenants: (a) not to challenge the validity, scope, or enforceability of or otherwise oppose any Patent or Patent Application included in the Coherus Patent Rights or any foreign counterparts thereof; (b) that it shall include in all of its sublicense agreements relating to the Product the obligation binding on the Sublicensee under such sublicense agreement not to challenge the validity, scope, or enforceability of or otherwise oppose any such Patent or Patent Application; (c) that it shall include provisions in all sublicense agreements relating to the Product providing that, if the Sublicensee challenges the validity, scope, or enforceability of or otherwise opposes any such Patent or Patent Application, Licensee shall have the right to terminate such sublicense agreement, and such Sublicensee shall no longer have any rights under any such Patent or Patent Application. In the event that all or any portion of this **Section 9.5** is determined to be invalid, illegal, or unenforceable, then the Parties will use their best efforts to replace the invalid, illegal, or unenforceable provision(s) with valid, legal, and enforceable provision(s).

10. INDEMNIFICATION AND INSURANCE.

10.1 Coherus' Right to Indemnification. Licensee shall indemnify, defend, and hold harmless Coherus and its Affiliates, and their respective officers, directors, employees, agents, and their respective successors, heirs and assigns and representatives (the **"Coherus Indemnitees"**), from and against any and all damages, losses, suits, proceedings, liabilities, costs (including reasonable legal expenses, costs of litigation and reasonable attorney's fees), or judgments, whether for money or equitable relief, of any kind (**"Damages"**) resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of Licensee, its Affiliates, and/or its Sublicensees and its or their respective directors, officers, employees, and agents, in connection with Licensee's performance of its obligations or exercise of its rights under this Agreement; (b) any breach by Licensee of any obligation, representation, warranty, or covenant set forth in this Agreement; (c) the Development, Commercialization, transfer, importation or exportation, labeling, handling or storage, or use of, or exposure to, the Product by or for Licensee or any of its Affiliates, Sublicensees, agents, and contractors in the Territory; and (d) the failure by Licensee, or any of its Affiliates, Sublicensees, agents, or subcontractors to comply with Applicable Laws or the failure of Licensee, or any of its Affiliates, Sublicensees, agents, or subcontractors to materially comply with the Policies and Codes then in effect; except in any such case for Damages to the extent reasonably attributable to any Coherus Indemnitee: (i) having committed an act or acts of negligence, recklessness, or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which Coherus is found to have an indemnity obligation under **Section 10.2 (Licensee's Right to Indemnification)**.

10.2 Licensee's Right to Indemnification. Coherus shall indemnify, defend, and hold harmless Licensee and its Affiliates, and their respective officers, directors, employees, agents, licensors, and their respective successors, heirs and assigns and representatives (the **"Licensee Indemnitees"**), from and against any and all Damages resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of Coherus and its Affiliates and its or their respective directors, officers, employees, and agents, in connection with Coherus' performance of its obligations or exercise of its rights under this Agreement; (b) any breach by Coherus of any obligation, representation, warranty, or covenant set forth in this Agreement; (c) the development (including Development), commercialization, transfer, importation or exportation, Manufacture, labeling, handling or storage, or use of, or exposure to, the Product by Coherus or any of its Affiliates, Sublicensees, agents, and contractors outside of the Territory; (d) **[***]** by Coherus or any of its Affiliates, sublicensees, agents, and contractors inside or outside of the Territory, and (e) the failure to comply with Applicable Laws by Coherus, or any of its Affiliates, agents, or subcontractors; except in any such case for Damages to the extent reasonably attributable to any Licensee Indemnitee (i) having committed an act or acts of negligence, recklessness or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which Licensee is found to have an indemnity obligation under **Section 10.1 (Coherus' Right to Indemnification)**.

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10.3 Process for Indemnification. A claim to which indemnification applies under **Section 10.1 (Coherus' Right to Indemnification)** or **Section 10.2 (Licensee's Right to Indemnification)** shall be referred to herein as an **"Indemnification Claim"**. If a party intends to claim indemnification under **Section 10.1** or **Section 10.2**, such Party (the **"Indemnitee"**) shall notify the other Party (the **"Indemnitor"**) in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The Indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee; *provided, however*, that the Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. If the Indemnitor does not assume the defense of the Indemnification Claim as described in this **Section 10.3** above, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner that may have an adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld, delayed, or conditioned. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee, which information shall be subject to **Article 11 (CONFIDENTIALITY)**.

10.4 Insurance. During the Term and for five (5) years thereafter, each Party shall maintain, at its sole expense, such types of insurance coverage as is appropriate and customary in the biopharmaceutical industry in light of the nature of the activities to be performed by such Party hereunder; *provided, however,* that Licensee shall have the right to self-insure. Such insurance shall be in such amounts and subject to such deductibles as are prevailing in the biosimilar industry from time to time, provided that, each Party shall maintain a minimum of an aggregate of **[***]** and **[***]** in general comprehensive liability insurance and an aggregate of: (a) **[***]** in product liability insurance until receipt of the first Regulatory Approval in a country in the Territory; and (b) **[***]** in product liability insurance (or such other amount as is mutually agreed upon by the Parties) no later than thirty (30) days following receipt of the first Regulatory Approval in a country in the Territory.

11. CONFIDENTIALITY.

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11.1 Confidentiality; Exceptions. Except to the extent expressly authorized by this **Article 11** or otherwise agreed in writing, each Party hereby agrees that, during the Term and for five (5) years thereafter, it shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as explicitly provided for in this Agreement any confidential and proprietary information or materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party or otherwise received or accessed by a Party under this Agreement **[***]**, including any trade secrets, know-how, Product specifications, formulae, processes, techniques and information relating to a Party's past, present and future marketing, financial, and research and development activities for any product of the other Party and the pricing thereof (collectively, **"Confidential Information"**). Notwithstanding the foregoing, any Confidential Information that constitutes a trade secret shall not be subject to such five (5) year term, but shall continue to be subject to the obligations of confidentiality and non-use set forth in this Agreement for as long as such Confidential Information remains a trade secret under New York law (including New York's version of the Uniform Trade Secrets Act if and when adopted). The terms and conditions of this Agreement shall be deemed to be Confidential Information of each Party. In addition, and notwithstanding the foregoing, if, under **Article 8 (INTELLECTUAL PROPERTY AND INVENTIONS)**, Information relating specifically to Inventions and discoveries are to be owned by one Party, such Information shall be deemed to be Confidential Information of such Party, even if such Information is initially generated and disclosed by the other Party. Notwithstanding the foregoing, Confidential Information shall not include that portion of Information or materials that a Party can demonstrate by contemporaneous written records:

(a) is already lawfully known to such Party, other than under an obligation of confidentiality at the time of disclosure by the other Party as evidenced by written records kept in the ordinary course of business, or other documentary proof of actual use by such Party;

(b) is generally available to the public or otherwise part of the public domain at the time of its disclosure to such Party;

(c) becomes generally available to the public or otherwise part of the public domain after its disclosure to such Party and other than through any act or omission of such Party or its Affiliates in violation of this Agreement;

(d) is independently developed by such Party as demonstrated by documented evidence prepared contemporaneously with such independent development; or

(e) is lawfully disclosed to such Party, other than under an obligation of confidentiality, by a Third Party who had no obligation not to disclose such information to others.

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11.2 Degree of Care; Permitted Use. Each Party shall take reasonable steps to maintain the confidentiality of the Confidential Information of the other Party, which steps shall be no less protective than those steps that such Party takes to protect its own Information and materials of a similar nature, but in no event less than a reasonable degree of care. Neither Party shall use or permit the use of any Confidential Information of the other Party except for the purposes of carrying out its obligations or exercising its rights under this Agreement, and neither Party shall copy any Confidential Information of the other Party except as may be reasonably useful or necessary for such purposes. All Confidential Information of a Party, including all copies and derivations thereof, is and shall remain the sole and exclusive property of the disclosing Party and subject to the restrictions provided for herein. Neither Party shall disclose any Confidential Information of the other Party other than to **[***]**.

11.3 Authorized Disclosure. Notwithstanding **Section 11.1 (Confidentiality; Exceptions)** and **Section 11.2 (Degree of Care; Permitted Use)**, each Party may disclose Confidential Information of other Party:

(a) in its publicly-filed financial statements or other public statements to the extent required by Applicable Laws; *provided, however,*, that: **[***]**;

(b) to the extent it is required to be disclosed in response to a valid order by a court or other governmental body and provided that **[***]**;

(c) to the extent it is required to be disclosed in connection with any legal or regulatory requirements or obligations, including SEC filings or Regulatory Filings inside or outside the Territory; *provided, however,* **[***]**;

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(d) to Regulatory Authorities to facilitate the issuance of Regulatory Approvals or receipt of Pricing and Reimbursement Approvals inside or outside the Territory; *provided, however,* that reasonable measures shall be taken to assure confidential treatment of such Confidential Information;

(e) [***]

(f) to Third Parties in connection with such Party's efforts to secure financing or enter into strategic partnerships; *provided, however,* **[***]**.

11.4 Publications.

(a) In the event either Party proposes a publication or presentation to a Third Party that includes Confidential Information of the other Party relating to the Product in the Territory, or which otherwise includes Confidential Information of the other Party, such Party shall first submit to **[***]** an early draft of such publication or presentation, whether they are to be presented orally or in written form, prior to submission for publication or presentation. **[***]** shall review such proposed publication or presentation in order to avoid the unauthorized disclosure of its Confidential Information and to preserve the patentability of Inventions and shall, as soon as reasonably possible, inform such Party if its proposed publication or presentation:

(i) contains Confidential Information of the other Party, in which case such Party shall delete such Confidential Information from its proposed publication or presentation; or

(ii) could be expected to have a material adverse effect on any Patent or Information of the other Party, then such Party shall delay such proposed publication or presentation sufficiently long to permit the timely preparation and first filing of Patent Application(s) on the Information involved.

(b) This **Section 11.4** shall not apply to any disclosures pursuant to **Section 11.3 (Authorized Disclosure)**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

11.5 Press Releases; Publicity. Except with respect to (i) the press release which will be attached hereto as Exhibit 11.5 (which shall be issued by the Parties at a mutually agreed upon time following execution of this Agreement), and (ii) the matters listed in Exhibit 11.5A which Coherus may disclose to potential investors, collaboration partners, and underwriters on a non-confidential basis, no press release or public announcement shall be made by either Party concerning the execution of this Agreement or the terms and conditions hereof without **[***]**. Notwithstanding the foregoing, either Party may disclose the existence of this Agreement and the terms and conditions hereof without the prior written consent of the other in connection with a due diligence process associated with any future financing by either Party or the negotiation or exploration of a possible strategic transaction involving such Party; provided that such disclosure is made in the course of such diligence, negotiation or exploration pursuant to confidentiality obligations consistent with those set forth in this Agreement. Each Party may issue a press release or public announcement concerning the development of the Product, provided that such Party shall provide the other Party with a copy of such press release or public announcement at least ten (10) days in advance of its intended publication or release thereof and shall consider in good faith the comments of the other Party which comments shall be provided as promptly as reasonably practicable following receipt of the press release or public announcement from the Party desiring to make the disclosure. Further, each Party agrees that it shall cooperate fully and in a timely manner with the other Party with respect to all disclosures required by the Securities and Exchange Commission of the United States and any other Regulatory Authority, including requests for confidential treatment of Confidential Information of either Party included in any such disclosure. Notwithstanding the foregoing, either Party may issue any public announcement that it is advised by legal counsel is required under applicable Laws, provided that such Party provides to the other Party a copy of such press release or public announcement not less than two (2) business days in advance of its release if legally permissible. In the event **[***]** wishes to disclose information in its non-confidential discussions with potential investors, partners and underwriters which is not **[***]**, **[***]** shall seek **[***]** written consent for such disclosure and **[***]** shall consider **[***]** request in good faith, such consent not to be unreasonably withheld, conditioned or delayed.

11.6 Irreparable Injury. The Parties acknowledge that either Party's breach of this **Article 11** would cause the other Party irreparable injury for which it would not have an adequate remedy at law. In the event of a breach, the nonbreaching Party may seek injunctive relief, whether preliminary or permanent, in addition to any other remedies it may have at law or in equity, without necessity of posting a bond.

12. TERM AND TERMINATION.

12.1 Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated or extended as specifically provided in this **Article 12**, shall continue in effect until the tenth (10th) anniversary of the Effective Date (the **"Initial Term"**).

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

12.2 Extension of Term. If this Agreement has not been earlier terminated with respect to a particular country in the Territory during the Term (including any renewal Periods), the Term for each such non-terminated country shall, at Licensee's discretion, be extended for an additional period of three (3) years (each, a **"Renewal Period"** and, together with the Initial Term, the **"Term"**); *provided, however,* that the JSC has approved the Commercialization Plan for the applicable country/ies in the six (6) months immediately preceding the tenth (10th) anniversary of the Effective Date or in the six (6) months immediately preceding the last day of the third year of a Renewal Period.

12.3 Termination by Licensee.

(a) Opt Out Termination. Licensee shall have the right to terminate this Agreement (in its entirety or on a country-by-country basis as set forth below) by providing written notice to Coherus during the applicable window noted below if Licensee concludes in good faith that: (1) the Development and/or Commercialization in the Territory or such country in the Territory, as applicable, is not commercially viable, and/or (2) there are material safety, efficacy or patient tolerability issues with the Product that cannot be remedied or overcome as follows:

(i) Solely with respect to the entire Territory, within the Product Opt-Out Period; or

(ii) Solely with respect to the entire Territory, within three (3) months following the later to occur of receipt by Licensee of the Clinical Study Report for (A) the Global RA Study and (B) the Global Psoriasis Study; or

(iii) With respect to one or more countries in the Territory, within one (1) month following submission by Licensee of the Regulatory Approval Application for the Product in such country/ies; or

(iv) With respect to one or more countries in the Territory, within ten (10) days following the later to occur of: (A) receipt of Regulatory Approval (if such approval does not include Pricing and Reimbursement Approvals) or (B) receipt of Pricing and Reimbursement Approvals of the Product in such country/ies; or

(v) Licensee shall have the right to terminate this Agreement (in its entirety or with respect to a country within the Territory, as applicable) following the occurrence of each milestone.

For the avoidance of doubt, the provisions of **Section 2.4** allowing Licensee to consider alternative programs during the Initial and/or Second Review Periods shall survive termination of this Agreement.

(b) Other Licensee Termination. Licensee shall also have the right to terminate this Agreement in its entirety, in its sole discretion, as follows:

(i) After First Commercial Sale in the Territory, without cause upon eighteen (18) months prior written notice to Coherus; or

(ii) At any time if the aggregate expenses for which Licensee is responsible pursuant to **Section 4.1(d)(i) (Global RA Study)** and **Section 4.1(d)(ii) (Clinical Trials)** are reasonably expected to exceed **[***]**; or

(iii) At any time if the aggregate expenses for which Licensee is responsible pursuant to **Section 4.1(d)(ii)(3)** (**Process Development and Manufacture Supporting Clinical Trials and Launch)** are reasonably expected to exceed **[***]**; or

(iv) If by **[***]**, the Manufacturing Cost exceeds **[***]** for one (1) filled, finished, released, labeled dosage form **[***]**; *provided, however,* such Manufacturing Cost shall be adjusted each January 1 occurring after the Effective Date **[***]**; or

(v) If by **[***]**, the Manufacturing Cost exceeds **[***]** for one (1) filled, finished, released, labeled dosage form **[***]**; *provided, however,* such Manufacturing Cost shall be adjusted each January 1 occurring after the Effective Date **[***]**.

12.4 Termination by Coherus. Coherus shall have the right to terminate this Agreement immediately upon written notice to Licensee in the event that Licensee or any of its Affiliates challenges in a court of competent jurisdiction, the validity, scope or enforceability of, or otherwise opposes, any Patent included in the Coherus Patent Rights. If a Sublicensee of Licensee or its Affiliate challenges the validity, scope or enforceability of or otherwise opposes any Patent included in the Coherus Patent Rights under which such Sublicensee is sublicensed, then Licensee or its Affiliate, as applicable, shall provide written notice to Coherus and shall promptly terminate the sublicense agreement but, for the avoidance of doubt, such challenge by a Sublicensee, unless directed by Licensee, shall not be grounds for termination of this Agreement by Coherus.

12.5 Termination for Material Breach. If either Party believes the other Party is in material breach of this Agreement (which shall include any breach of any payment obligation hereunder), it shall give notice of such breach to such other Party, and such other Party shall have ninety (90) days in which to remedy any such material breach, or ten (10) Business Days in the case of breach (whether material or not) of any payment obligation hereunder. If such alleged breach is not remedied in the time period set forth above, the nonbreaching Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement upon written notice to the other Party. In the event of a dispute regarding any payments due and owing hereunder, all undisputed amounts shall be paid when due, and the balance, if any, shall be paid promptly after settlement of the dispute, including any accrued interest thereon pursuant to **Section 7.9**. Subject to foregoing (including the right to cure), if Licensee does not materially comply with the obligations set forth in **Section 6.1 (Efforts)** with respect to Commercialization in each of the Major EU Countries, Canada, Brazil, China and Australia, Coherus shall have the right to terminate the Agreement with respect to such country, and **Section 12.7 (Consequences of Expiration or Termination)** shall apply with respect to the Product in such terminated country.

12.6 Termination Upon Insolvency. To the extent permitted under Applicable Laws, either Party may terminate this Agreement if, at any time, the other Party: (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or of its assets, (b) proposes a written agreement of composition or extension of its debts, (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within forty-five (45) days after the filing thereof, (d) proposes or is a party to any dissolution or liquidation, or (e) makes an assignment for the benefit of its creditors.

12.7 Consequences of Expiration or Termination.

(a) Consequences of Termination of this Agreement with Respect to One or More Country(ies) but Not in the Entire Territory. Upon early termination of this Agreement by Licensee pursuant to **Section 12.3 (Termination by Licensee)** or by Coherus pursuant to **Section 12.5 (Termination for Material Breach)** with respect to a country (but not all countries in a Territory):

(i) the licenses granted to Licensee pursuant to **Section 2.1 (License Grants)** and **Section 6.3 (Trademarks)** with respect to the Product shall terminate in such terminated country, except as otherwise necessary to conduct the activities expressly set forth in **Section 12.7(a)(ii)**;

(ii) promptly after the effective date of such termination, Licensee shall commence winding down its Development and Commercialization activities for such country under the oversight of the JSC, and shall complete any and all such wind-down Development and Commercialization activities within three (3) months after the effective date of such termination;

(iii) Licensee shall and hereby does grant to Coherus, effective as of the effective date of such termination, the exclusive, perpetual, royalty-free, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP to develop, make, have made, use, sell, offer to sell, have sold and import the Product in such country;

(iv) Licensee shall and hereby does assign, at its cost, and shall cause its Affiliates (as applicable) to assign, to Coherus, effective as of the effective date of such termination, all of Licensee's (or its Affiliate's) rights, title and interests in and to the Product Trademark and all relevant trademark applications and registrations with respect thereto in such terminated country. Each Party shall execute and deliver or shall cause its Affiliates (as applicable) to execute and deliver to the other Party all documents that are necessary to fulfill the obligations set forth in this **Section 12.7(a)(iv)**;

(v) Licensee shall assign to Coherus or Coherus' designee its entire right in all clinical and related study data based on use or research on such Product and all Regulatory Filings and Regulatory Approvals relating to such Product in the terminated country, and shall provide reasonable assistance to Coherus or its designee to allow such party to become the holder of such Regulatory Approvals; and

(vi) Licensee shall promptly notify Coherus of any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Commercialization activities for any and all countries terminated. At Coherus' request, which request shall be made within three (3) months after the termination of this Agreement with respect to a country, Licensee shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates to assign) to Coherus, and Coherus shall have the right, but not the obligation, to assume, any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Commercialization activities in such terminated country, including agreements with CROs, clinical sites and investigators, that relate to Clinical Trials in support of Regulatory Approvals in such country(ies), unless such agreement: (A) expressly prohibits such assignment, (B) covers clinical trials for products in addition to the Product, or (C) covers the Product in a country or countries in respect of which this Agreement has not been terminated. In all cases (A)–(C), Licensee shall cooperate with Coherus in all reasonable respects to facilitate the execution of a new agreement between the Coherus and the Third Party.

(b) Consequences of Expiration or Certain Terminations of this Agreement in its Entirety. Upon expiration of this Agreement under **Section 12.1 (Term)**, or early termination of this Agreement in its entirety by Licensee pursuant to **Section 12.3 (Termination by Licensee),** by Coherus pursuant to **Section 12.4 (Termination by Coherus)**, by Coherus pursuant to **Section 12.5 (Termination for Material Breach)**, or by Coherus pursuant to **Section 12.6 (Termination upon Insolvency)**:

(i) the licenses granted to Licensee pursuant to **Section 2.1 (License Grants)** and **Section 6.3 (Trademarks)** shall terminate, except as otherwise necessary to conduct the activities expressly set forth in this **Section 12.7(b)**;

(ii) Licensee shall return to Coherus within three (3) months of the effective date of such expiration or termination (or certify the destruction of) any and all Coherus Know-How or Confidential Information of Coherus transferred to Licensee under this Agreement;

(iii) promptly after the effective date of such termination or expiration, Licensee shall commence winding down its Development and Commercialization activities under the oversight of the JSC, and shall use best efforts to complete any and all such Development and Commercialization activities within three (3) months after the effective date of such termination or expiration;

(iv) Licensee shall and hereby does grant to Coherus, effective as of the effective date of such termination or expiration, the exclusive, worldwide, perpetual, royalty-free, irrevocable license (with full rights to grant sublicenses through multiple tiers), under any Grant-Back IP, to develop, make, have made, use, sell, offer to sell, have sold and import the Product in or for the Territory;

(v) Licensee shall and hereby does assign, at its cost, and shall cause its Affiliates (as applicable) to assign, to Coherus, effective as of the effective date of such termination or expiration, all of Licensee's (or its Affiliate's) rights, title and interests in and to any and all Product Trademarks and all relevant trademark applications and registrations with respect thereto. Each Party shall execute and deliver or shall cause its Affiliates (as applicable) to execute and deliver to the other Party all documents that are necessary to fulfill the obligations set forth in this **Section 12.7(b)(v)**;

(vi) Licensee shall assign to Coherus or Coherus' designee its entire right in all clinical and related study data based on use or research on the Product and all Regulatory Filings and Regulatory Approvals, and shall provide reasonable assistance to Coherus or its designee to allow such party to become the holder of such Regulatory Filings or Regulatory Approvals; and

(vii) Licensee shall promptly notify Coherus of any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Commercialization activities. At Coherus' request, which request shall be made within three (3) months after the expiration or termination of this Agreement, Licensee shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates to assign) to Coherus, and Coherus shall have the right, but not the obligation, to assume, any and all agreements between Licensee (and/or its Affiliates) and Third Parties with respect to the conduct of Development and/or Commercialization activities, including agreements with CROs, clinical sites and investigators, that relate to Clinical Trials in support of Regulatory Approvals, unless such agreement: (A) expressly prohibits such assignment, or (B) covers clinical trials for products in addition to the Product. In both cases (A) and (B), Licensee shall cooperate with Coherus in all reasonable respects to facilitate the execution of a new agreement between the Coherus and the Third Party.

(c) Consequences of Certain Terminations of this Agreement in its Entirety by Licensee. Upon early termination of this Agreement by Licensee pursuant to **Section 12.5 (Termination for Material Breach)**, or by Licensee pursuant to **Section 12.6 (Termination upon Insolvency)**.

(i) the licenses granted to Coherus pursuant to **Section 2.1 (License Grants)** shall terminate;

(ii) Coherus shall return to Licensee within three (3) months of the effective date of such termination (or certify the destruction of) any and all Licensee Know-How or Confidential Information of Licensee transferred to Coherus under this Agreement; and

(iii) Coherus shall promptly notify Licensee of any and all agreements between Coherus (and/or its Affiliates) and Third Parties to whom any sublicenses were granted and shall confirm to Licensee that all such sublicenses were terminated as of the effective date of such termination.

(d) For eighteen (18) months following early termination of this Agreement, whether in its entirety or as to one or more countries in the Territory, Licensee may not commercialize in the terminated country(ies) any product that is a biosimilar (or biobetter) of the reference drug for the Product; *provided, however,* this **Section 12.7(c)** shall not apply if Licensee terminates this Agreement under **Section 12.5 (Termination for Material Breach)**.

(e) Expiration or termination of this Agreement for any reason shall not: (i) release any Party from any obligation that has accrued prior to the effective date of such expiration or termination (including the obligation to pay amounts accrued and due under this Agreement prior to the effective date of such expiration or termination but that are unpaid or become payable thereafter (including any payments then accrued because the event has occurred but the payment is not yet due)), (ii) preclude any Party from claiming any other damages, compensation, or relief that it may be entitled to upon such expiration or termination, or (iii) terminate any right to obtain performance of any obligation provided for in this Agreement that shall survive expiration or termination

12.8 General Surviving Obligations. The rights and obligations set forth in this Agreement shall extend beyond the expiration or termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge. In the event of expiration or termination of this Agreement for any reason, the following provisions shall survive in addition to others specified in this Agreement to survive in such event: **Articles 1, 9, 10, 13 and 14 and Sections 8.3, 8.4, 8.5, 8.6, 8.7 , 11.1, 11.2, 11.3, 12.7, 12.8, 15.5, 15.7, 15.11 15.13 and 15.16.**

13. LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTY.

13.1 LIMITATION OF LIABILITY. EXCEPT IN THE CASE OF A BREACH OF **ARTICLE 11 (CONFIDENTIALITY)**, AND WITHOUT LIMITING THE PARTIES' OBLIGATIONS UNDER **ARTICLE 10 (INDEMNIFICATION AND INSURANCE)**, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGES RESULTING FROM LOSS OF USE, LOSS OF PROFITS, INTERRUPTION OR LOSS OF BUSINESS, OR OTHER ECONOMIC LOSS) ARISING OUT OF THIS AGREEMENT OR WITH RESPECT TO A PARTY'S PERFORMANCE OR NON-PERFORMANCE HEREUNDER.

13.2 DISCLAIMER OF WARRANTY. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY PROVIDES ANY WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, REGARDING PRODUCT USED IN PRECLINICAL STUDIES OR CLINICAL TRIALS OR FOR COMMERCIAL USE, AND EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS AND IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND FREEDOM FROM INFRINGEMENT OF THIRD PARTY RIGHTS.

14. DISPUTE RESOLUTION.

14.1 Exclusive Dispute Resolution Mechanism. In the event that the Parties cannot reach agreement on a matter arising out of or in connection with this Agreement and any other agreement entered into pursuant hereto or in connection herewith (including matters relating to any Party's rights and/or obligations hereunder and/or regarding the construction, interpretation, and enforceability of such agreements), the procedures set forth in this **Article 14** shall be the exclusive mechanism for resolving any dispute, controversy, or claim in connection with this Agreement, the construction hereof, or the rights, duties or liabilities of either Party under this Agreement (collectively, **"Disputes"**) between the Parties or the JSC that may arise from time to time that cannot be resolved through good faith negotiation between the Parties, except as set forth in **Section 14.4 (Preliminary Injunctions)** and/or **Section 14.5 (Patent Disputes)** or unless otherwise set forth herein.

14.2 Resolution by Executive Officers. Except as otherwise provided in this Agreement, in the event of any Dispute, the Parties shall first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within ten (10) Business Days after one Party provides notice to the other Party of such Dispute, either Party may, by written notice to the other Party, refer such Dispute to the Executive Officers for attempted resolution by good faith negotiation within thirty (30) days after such notice is received. In the event that any Dispute is not resolved under the foregoing provisions, each Party may, at its sole discretion, seek resolution of such Dispute in accordance with **Article 3 (GOVERNANCE)** or **Section 14.3 (Arbitration)**, as applicable.

14.3 Mediation; Arbitration.

(a) Except as set forth in **Section 14.4 (Preliminary Injunctions)** and/or **Section 14.5 (Patent Disputes),** or unless otherwise set forth herein, any Dispute that is not resolved pursuant to **Section 14.2 (Resolution by Executive Officers)** shall be submitted to the International Institute for Conflict Prevention & Resolution (**"CPR"**) for mediation, and if the matter is not resolved through mediation, then it shall be submitted to CPR for exclusive, final and binding arbitration pursuant to this **Section 14.3**.

(b) Any such mediation or arbitration shall be conducted in New York, New York, United States of America, unless otherwise agreed to by the Parties in writing. Each and any arbitration shall be administered by CPR pursuant to its Arbitration Rules and Procedures (the **"Rules"**), as such Rules may be amended from time to time, or modified by this **Section 14.3** or by agreement of the Parties. At any applicable hearing, the Parties may present testimony (either by live witness or deposition) and documentary evidence and have the right to be represented by counsel. The U.S. Federal Rules of Evidence will apply to any and all matters submitted to final and binding arbitration under this Agreement.

(c) Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on a single neutral arbitrator with relevant industry experience to conduct such arbitration. If the Parties do not agree on a single neutral arbitrator within ten (10) days after receipt of an arbitration notice, each Party shall select one (1) arbitrator and the two (2) Party-selected arbitrators shall select a third arbitrator with relevant industry experience to constitute a panel of three (3) arbitrators to conduct the arbitration in accordance with the Rules. In the event that only one of the Parties selects an arbitrator, then such arbitrator shall be entitled to act as the sole arbitrator to resolve the Dispute or any and all unresolved issues subject to such arbitration. Each and every arbitrator of the arbitration panel conducting the arbitration must and shall agree to render an opinion within thirty (30) days after the final hearing before the panel.

(d) The decision or award of the arbitrator(s) shall be final, binding, and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The arbitrator(s) shall, upon the request of any Party, issue a written opinion of the findings of fact and conclusions of law and shall deliver a copy to each of the Parties. Each Party shall bear its own costs and attorney's fees, and the Parties shall equally bear the fees, costs, and expenses of the arbitrator(s) and the arbitration proceedings; *provided, however*, that the arbitrator(s) may exercise discretion to award costs, including attorney's fees, to the prevailing Party. Without limiting any other remedies that may be available under Applicable Laws, the arbitrator(s) shall have no authority to award provisional remedies of any nature whatsoever, or special, indirect, incidental, punitive, consequential, or any other similar form of damages (including damages resulting from loss of use, loss of profits, interruption or loss of business, or other economic loss).

14.4 Preliminary Injunctions. Notwithstanding anything in this Agreement to the contrary, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction as provided in **Section 15.12 (Governing Law; Jurisdiction)** in order to prevent immediate and irreparable injury, loss, or damage on a provisional basis, pending the decision of the arbitrator(s) on the ultimate merits of any Dispute.

14.5 Patent Disputes. Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the scope, construction, validity, and enforceability of any Patent or Patent Application in a country within the Territory shall be determined in a court or other governmental authority of competent jurisdiction under the applicable patent laws of such country, as provided in **Section 15.12 (Governing Law; Jurisdiction)**.

14.6 Confidentiality. All proceedings and decisions of the arbitrator(s) shall be deemed to be Confidential Information of each of the Parties, and shall be subject to **Article 11 (CONFIDENTIALITY)**.

15. MISCELLANEOUS.

15.1 Agency. Neither Party is, nor shall be deemed to be, an employee, agent, co-venturer, or legal representative of the other Party for any purpose. Neither Party shall be entitled to enter into any contracts in the name of, or on behalf of the other Party, nor shall either Party be entitled to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

15.2 Performance by Affiliates. The Parties recognize that each Party may perform some or all of its obligations under this Agreement through Affiliates; *provided*, *however*, that each Party shall remain responsible for the performance of its Affiliates and shall course its Affiliates to comply with the provisions of this Agreement in connection with such performance.

15.3 Assignment. Neither Party shall have the right to assign this Agreement or any obligation of such Party hereunder without the prior written consent of the other Party, which shall not be unreasonably withheld, delayed, or conditioned, except that a Party may assign this Agreement and the rights, obligations, and interests of such Party: (a) in whole or in part, to any of its Affiliates, (b) to any purchaser of all or substantially all of its assets to which this Agreement relates, or (c) to any successor corporation resulting from any merger, consolidation, share exchange, or other similar transaction. This Agreement shall be binding upon and inure to the successors and permitted assignees of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this **Section 15.3** shall be void. Notwithstanding anything to the contrary in this Agreement, in the event of any such assignment, the intellectual property rights of the acquiring party (if other than one of the Parties to this Agreement) shall not be included in the intellectual property rights licensed to the other Party hereunder to the extent held by such acquirer prior to such transaction, or to the extent such intellectual property rights are developed outside the scope of activities conducted with respect to the Product.

15.4 Further Actions. Each Party agrees to execute, acknowledge, and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

15.5 Non-Solicitation. While the Parties are performing Development and/or Commercialization activities under this Agreement and for a period of eighteen (18) months thereafter, neither Party shall, without the express written consent of the other Party, recruit, solicit, or induce any employee of the other Party who has performed activities under this Agreement to terminate his or her employment with such other Party. The foregoing provision shall not, however, restrict either Party or its Affiliates from advertising employment opportunities in any manner that does not directly target the other Party or its Affiliates or from hiring any persons who respond to such generalized public advertisements.

15.6 Force Majeure. Neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by epidemic, earthquake, riot, civil commotion, rebellion, insurrection, invasion, fire, acts of God, war, terrorist acts, strike, storm, flood, or governmental acts or restriction, or other cause that is beyond the reasonable control of the respective Party. The Party affected by such force majeure shall provide the other Party with all information relating thereto (including its best estimate of the likely extent and duration of the interference with its activities) as soon as reasonably and practically possible after its occurrence, and shall use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations as soon as practicable. In such event, the Parties shall meet promptly to determine an equitable solution to the effects of any such event, including the possibility of the termination of this Agreement pursuant to **Section 12.5 (Termination for Material Breach)**. Notwithstanding the foregoing, nothing in this **Section 15.6** shall excuse or suspend the obligation to make any payment due hereunder in the manner and at the time provided.

15.7 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given: (a) if delivered personally or by facsimile transmission (receipt verified), (b) five (5) days after mailed by registered or certified mail (return receipt requested), postage prepaid, or (c) three (3) days after sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice; *provided, however,* that notices of a change of address shall be effective only upon receipt thereof):

If to Licensee, addressed to:

Baxter Healthcare SA
Postfach
8010 Zurich
Switzerland
Attn: Legal Department
Fax: +41 44 878 6520

and

Baxter Healthcare Corporation
1 Baxter Parkway
Deerfield, IL 60015
Attn: General Counsel
Fax: (224) 948-3441

If to Coherus, addressed to:

Coherus Biosciences, Inc.
201 Redwood Shores Parkway, Suite 200
Redwood City, CA, USA 94065
Attn: Dennis M. Lanfear
Fax: (866) 491-7350

With copies to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94062
Attn: Alan C. Mendelson
Fax: 650-463-2600

Latham & Watkins LLP
12636 High Bluff Drive, Suite 400
San Diego, CA 92130
Attn: Faye H. Russell
Fax: 858-523-5450

15.8 Amendment. No amendment, modification, or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

15.9 Waiver. The waiver by either Party of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

15.10 Counterparts; Electronic Delivery. This Agreement may be executed simultaneously in two counterparts, either one of which need not contain the signature of more than one Party but both such counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile, by email in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing original signature.

15.11 Construction. The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement. Except where the context otherwise requires, wherever used the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders. The term "including" or "includes" means "including without limitation" or "includes without limitation." The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

15.12 Governing Law; Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of New York, U.S.A., without regard to its or any other jurisdiction's choice of law rules. Any Disputes not subject to **Section 14.3 (Mediation; Arbitration)** shall be brought in the state or federal courts located in the State of New York, U.S.A., and the Parties irrevocably accept the exclusive jurisdiction of such courts solely and specifically for the purpose of adjudicating such Disputes, and in no event shall any Party be deemed to have consented to such jurisdiction for any other purpose. Each Party further agrees that such courts provide a convenient forum for any such action, and waives any objections or challenges to venue with respect to such courts.

15.13 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Laws, but, if any provision of this Agreement is held to be prohibited by or invalid under Applicable Laws, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In the event of such invalidity, the Parties shall seek to agree on an alternative enforceable provision that preserves the original purpose of this Agreement.

15.14 Compliance with Applicable Laws. Each Party will comply with all Applicable Laws in performing its obligations and exercising its rights hereunder. Nothing in this Agreement shall be deemed to permit Licensee to export, re-export, or otherwise transfer any Information transferred hereunder or Product without complying with Applicable Laws.

15.15 No Re-Importation.

(a) Licensee will ensure that reasonable safeguards are put in place so that Product sold in the Territory is not, directly or indirectly, exported, or marketed, distributed, or sold, outside of the Territory. Licensee shall not, directly or indirectly, offer Product to any Third Party in a country within the Territory that Licensee knows is going to, directly or indirectly, export such Product, or market, distribute, or sell such Product, outside of the Territory. If Licensee becomes aware that any of its customers has, directly or indirectly, imported Product into, exported Product to, or marketed, distributed, or sold Product in, any country outside of the Territory, or has reason to believe that a customer intends to, directly or indirectly, import Product, export Product to, or market, distribute, or sell Product, outside of the Territory, Licensee shall take prompt and reasonable actions to cause such customer to cease such import, export, marketing, distribution, or sales activities; if such customer does not cease such activities, then Licensee shall immediately cease sale or distribution of any and all Product to such customer, unless prohibited by Applicable Laws.

(b) Coherus will ensure that reasonable safeguards are put in place so that Product sold outside the Territory is not, directly or indirectly, exported, or marketed, distributed, or sold, within the Territory. Coherus shall not, directly or indirectly, offer Product to any Third Party in a country outside the Territory that Coherus knows is going to, directly or indirectly, import such Product, or market, distribute, or sell such Product, within the Territory. If Coherus becomes aware that any of its customers or commercial partners has, directly or indirectly, imported Product into, exported Product to, or marketed, distributed, or sold Product in, any country in the Territory, or has reason to believe that a customer intends to, directly or indirectly, import Product, export Product to, or market, distribute, or sell Product, in the Territory, Coherus shall take prompt and reasonable actions to cause such customer or commercial partner to cease such import, export, marketing, distribution, or sales activities; if such customer does not cease such activities, then Coherus shall immediately cease sale or distribution of any and all Product to such customer or commercial partner, unless prohibited by Applicable Laws.

15.16 Entire Agreement of the Parties. This Agreement, including the exhibits attached hereto, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties, and cancels and supersedes any and all prior or contemporaneous negotiations, correspondence, understandings, and agreements, whether oral or written, between the Parties respecting the subject matter hereof, including the CDA, and neither Party shall be liable or bound to the other Party with respect to the subject matter of this Agreement in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the Parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement. To the extent that anything set forth in an exhibit attached hereto conflicts with the terms of this Agreement, the terms of this Agreement shall prevail.

[Signature Page Follows]

[Signature Page to License Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives as set forth below:

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: Chief Executive Officer

BAXTER INTERNATIONAL INC.

By: /s/ Ludwig N. Hantson
Name: Ludwig N. Hantson
Title: CVP/President BioScience

BAXTER HEALTHCARE CORPORATION

By: /s/ Ludwig N. Hantson
Name: Ludwig N. Hantson
Title: CVP/President BioScience

BAXTER HEALTHCARE SA

By: /s/ Piero Novello
Name: Piero Novello
Title: Commercial Director
Emerging Markets EMEA

By: /s/ Steven Martin
Name: Steven Martin
Title: VP Quality EMEA

EXHIBIT 1.4

[***] OPT-IN

For a period of **[***]** from the Effective Date, Licensee shall have the exclusive right to negotiate and enter into a definitive agreement with a Third Party relating to Commercialization of the Product in **[***]** in which a technology transfer of Coherus Know-How or other intellectual property rights of Coherus is contemplated (the **"[***] Agreement"**).

If, after such **[***]** period, Licensee has not entered into a **[***]** Agreement, Licensee and Coherus shall each have the right to pursue such a **[***]** Agreement.

In any case, during the period of time that Licensee is selling finished Product directly (or through an Affiliate or Sublicensee) in **[***]** such that Licensee (or such Affiliate) is booking sales of the Product, the Coherus Royalty for Net Sales in **[***]** shall be as set forth in **Exhibit 7.1 (Payment Structure)**.

If either Party enters into a **[***]** Agreement, it shall provide written notice to the other Party within **[***]** thereafter. Coherus shall have **[***]** following delivery or receipt of such notice to elect to be responsible for a portion of the costs incurred in connection with the associated technology transfer as set forth below (the **"[***] Opt-In"**) by providing written notice to Licensee.

If Coherus notifies Licensee of its election of the **[***]** Opt-In, the Parties shall share both the costs incurred in connection with executing the technology transfer under the **[***]** Agreement and the financial payments received under the **[***]** Agreement in the following proportions:

(a) Licensee, **[***]** percent (**[***]**%); and
(b) Coherus, **[***]** percent (**[***]**%).

Following a **[***]** Opt-In, no Coherus Royalties shall be due on Net Sales in **[***]**.

If Coherus does not notify Licensee of its election of the **[***]** Opt-In within the required period, Coherus shall receive **[***]** percent (**[***]**%) of any financial payments received by Licensee under the **[***]** Agreement and Licensee shall bear all costs incurred in connection with executing the technology transfer under the **[***]** Agreement.

For the avoidance of doubt, if Licensee enters into a **[***]** Agreement, Coherus shall be obligated to grant Licensee (or its designee or sublicensee) a license to all Coherus Know-How and Coherus Patent Rights that are necessary or useful to enable Licensee (whether by itself or through an Affiliate or sublicensee) to develop, make, have made, use, sell, offer to sell, have sold or import the Product in **[***]** (including the right to grant sublicenses therefor). Such license may be set forth in the MSA or in an amendment to this Agreement.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.17

COHERUS PATENT RIGHTS

1. Patent Filings Owned by Coherus

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

2. Patents Owned by [***], Licensed To Coherus.

(Note: **[***]** patents listed below are included within Coherus Patent Rights)

[***]

[***]

[***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.18

COHERUS TRADEMARKS

Coherus

EXHIBIT 1.48

ILLUSTRATIVE DEVELOPMENT PLAN/BUDGET

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.53

INITIAL DEVELOPMENT ACTIVITIES

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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EXHIBIT 5

MANUFACTURING AND SUPPLY BY COHERUS

Coherus will use Commercially Reasonable Efforts to execute a definitive agreement for the Manufacture and supply of Product for the Global Studies within ninety (90) days of the Effective Date.

Coherus will provide a draft of the Manufacturing and Supply Agreement to Licensee prior to execution and will reasonably consider Licensee's comments thereto.

Coherus will use Commercially Reasonable Efforts to supply Units, for Commercialization purposes to Licensee at Coherus' documented Manufacturing Cost **[***]**. Licensee will also be responsible for **[***]**.

Coherus may Manufacture Units for commercialization outside the Territory using the Third Party manufacturer and/or Manufacturing facility licensed under Licensee's Regulatory Approval in the Territory, **[***]**.

Contemporaneously with the execution of the Manufacturing and Supply Agreement, the Parties will execute a quality agreement in a mutually acceptable form.

The term of the Manufacturing and Supply Agreement shall be coincident with this Agreement.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 7.1

PAYMENT STRUCTURE

A. Upfront Payment.

1. In partial consideration for the rights granted to Licensee under this Agreement, Licensee shall pay to Coherus a one-time, non-refundable payment of Thirty Million Dollars ($30,000,000) within one (1) Business Day after the Effective Date by wire transfer of immediately available funds into an account designated in writing by Coherus. A portion of this Upfront Payment **[***]** as set forth in **Section 2.4(e)(v) (Product Opt-out).**

2. Following delivery of an Opt-Out Notice, **[***]** the Upfront Payment **[***]**.

3. Following delivery of an Opt-Out Notice, if Licensee does not elect to enter into a ROFR Agreement within the Second Review Period, **[***]** the Upfront Payment **[***]**.

B. Milestone Payments. In partial consideration for the rights granted to Licensee under this Agreement, the following one-time, non-refundable, non-creditable payments shall be due and payable upon the occurrence of the applicable event (**"Milestone Payment(s)"**), with each such payment to occur within fifteen (15) days of the occurrence of the applicable event by wire transfer of immediately available funds into an account designated in writing by Coherus:

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***]. Such Milestone Payments shall be paid by Licensee to Coherus within fifteen (15) days of the occurrence of the applicable event by wire transfer of immediately available funds into an account designated in writing by Coherus.

C. **EU Regulatory Approval Payments.** In partial consideration for the rights granted to Licensee under this Agreement, the following one-time, non-refundable, non-creditable payments shall be due and payable upon receipt of Regulatory Approval in the European Union (**"EU Regulatory Approval"**), as follows:

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- **[***]**.
- **[***]**.
- **[***]**.
- **[***]**.

By way of example, if the Product is **[***]**, Coherus would receive **[***]**. If**[***]** the Product **[***]**, Coherus would receive **[***]**. If**[***]**, Coherus would receive **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Such EU Regulatory Approval Payments shall be paid by Licensee to Coherus within fifteen (15) days of the occurrence of the applicable event by wire transfer of immediately available funds into an account designated in writing by Coherus.

D. **Royalties on Net Sales; Third Party Payments.** In partial consideration for the rights granted to Licensee under this Agreement, including Patent and know-how licenses and other proprietary rights, Licensee shall pay Coherus non-refundable and non-creditable royalties as set forth in this **Section D**.

1. Licensee shall pay Coherus a royalty rate of **[***]** Net Sales in the Territory, on a country-by-country basis each Calendar Year, calculated in **[***]** on a country-by-country basis, in the applicable Calendar Quarter, as follows (the **"Coherus Royalty"**):

(a) **[***]**; and

(b) **[***];** and

(c) **[***]**.

2. Notwithstanding the foregoing, except in connection with the exercise by Coherus of the **[***]** Opt-In, Licensee shall pay Coherus a Coherus Royalty equal to **[***]** of Net Sales in **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3. In partial consideration for the rights granted to Licensee under this Agreement, including Patent and know-how licenses and other proprietary rights, Licensee shall **[***]**. In addition, Licensee may reduce the Coherus Royalty by an amount **[***]** or **[***]** to any other Third Party in consideration for **[***]** (payments to other Third Parties shall be referred to as the "Third Party Payments") which **[***]** is either necessary or commercially reasonable to Develop, Manufacture, or Commercialize; *provided, however,* that in no case shall such reduction (or the aggregate reduction if multiple Third Party licenses are required) for Third Party Payments exceed the greater of: (a) **[***]** or (b) **[***].**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 11.5

PRESS RELEASE

(*See attached.)*

EXHIBIT 11.5A

CERTAIN PUBLICITY MATTERS

The following general matters related to the subject matter of this Agreement may be disclosed by Coherus to potential investors, collaboration partners and underwriters, on a non-confidential basis and without the prior written consent of Licensee:

1. That the size of the overall market that the Product addresses is approximately $3 billion or is a multi-billion market.

2. That the transaction has up fronts and milestones worth approximately $150 million payable between signing and issuance of regulatory approval.

3. That the transaction includes royalties that Coherus expects will be in the double digits.

4. That Coherus will be responsible for manufacturing with its CMO partner, such partner also being a Coherus shareholder.

5. That the transaction has the potential for additional products, and we hope to be able to expand the collaboration.

6. That Licensee will cover 100% of anticipated development costs not covered by other partners and therefore Coherus expects 100% of the development costs for Product to be covered by its partners.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

FIRST AMENDMENT TO LICENSE AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") is made and entered into as of this 7th day of February, 2014 (the "Effective Date") by and among Coherus Biosciences, Inc., a Delaware corporation with a principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065, United States of America ("Coherus"), on the one hand, and Baxter International, Inc., a Delaware corporation with a principal place of business at 1 Baxter Parkway, Deerfield, IL 60015, United States of America ("BII"), Baxter Healthcare SA, a Swiss corporation with a principal place of business at Postfach 8010 Zurich, Switzerland ("BHSA") and Baxter Healthcare Corporation, a Delaware corporation with a principal place of business at 1 Baxter Parkway, Deerfield, IL 60015, United States of America ("BHC" and, together with BII and BHSA, "Baxter''), on the other hand to amend the terms of that certain License Agreement between Coherus and Baxter dated August 30, 2013 (the "License Agreement").

WHEREAS, Coherus and Baxter entered into the License Agreement, pursuant to which, *inter alia*, the parties agreed to further develop and commercialize Coherus' Biosimilar product CHS-0214; and

WHEREAS, Coherus and Baxter now desire to amend the Agreement to reflect an agreed upon modification of **[***]**;

NOW, THEREFORE, for good and valuable consideration, and intending to be legally bound, Coherus and Baxter hereby agree as follows:

1. Incorporation of the Agreement. All capitalized terms which are not defined herein shall have the same meanings as set forth in the Agreement, and the Agreement, to the extent not inconsistent with this Amendment, is incorporated herein by this reference as though the same was set forth in its entirety. To the extent any terms and provisions of the Agreement are inconsistent with the amendments set forth in Paragraph 2 below, such terms and provisions shall be deemed superseded hereby. Except as specifically set forth herein, the Agreement shall remain in full force and effect and its provisions shall be binding on the Parties hereto.

2. Amendment of the Agreement. The Agreement is hereby amended by **[***]**

3. Effectuation. The amendment to the Agreement contemplated by this Amendment shall be deemed effective as of the date first written above upon the full execution of this Amendment and without any further action required by the Parties hereto. There are no conditions precedent or subsequent to the effectiveness of this Amendment.

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. One or more counterparts of this Amendment may be delivered by facsimile, with the intention that delivery by such means shall have the same effect as delivery of an original counterpart thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the Effective Date by their duly authorized representatives as set forth below:

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: Chief Executive Officer

BAXTER INTERNATIONAL INC.

By: /s/ Ludwig N. Hantson
Name: Ludwig N. Hantson
Title: CVP/President BioScience

BAXTER HEALTHCARE CORPORATION

By: /s/ Ludwig N. Hantson
Name: Ludwig N. Hantson
Title: CVP/President BioScience

BAXTER HEALTHCARE SA

By: /s/ B. Lenzlinger
Name: B. Lenzlinger
Title: Finance Director

By: /s/ Yvo Aebli
Name: Yvo Aebli
Title: Finance Director

Exhibit 10.3

EXECUTION COPY

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT (the **"Agreement"**) is made and entered into as of December 26, 2012 (the **"Effective Date"**) between **COHERUS BIOSCIENCES, INC.**, a Delaware corporation with a principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065, United States of America (**"Coherus"**), and **OROX PHARMACEUTICALS B.V.**, a Caraçao company with a principal place of business at Schottegatweg Oost 10, unit 1A1, Curaçao (**"Distributor"**). Coherus and Distributor are sometimes referred to herein individually as a **"Party"** and collectively as the **"Parties"**.

RECITALS

WHEREAS, Coherus is a global biotechnology company that conducts research, development, manufacturing and commercialization, and is developing various biosimilar products for the potential treatment of cancer, rheumatoid arthritis, and other diseases and conditions;

WHEREAS, Distributor has commercialization capabilities in the Territory (as defined below); and

WHEREAS, Distributor wishes to obtain commercialization rights in the Territory and Coherus wishes to grant to Distributor such commercialization rights in accordance with the terms and conditions hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

1.1 "Affiliate" means a corporation, partnership, trust or other entity that directly, or indirectly through one or more intermediates, controls, is controlled by or is under common control with a specified Party or entity to which this Agreement refers. For such purposes, "control," "controlled by" and "under common control with" shall mean the possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting equity, voting member or partnership interests, control of a majority of the board of directors or other similar body, by contract or otherwise.

1.2 "Applicable Anti-Corruption Laws" has the meaning set forth in **Section 8.3(c)**.

1.3 "Applicable Laws" means all applicable laws, rules, and regulations, including without limitation any rules, regulations, guidelines or other requirements of the Regulatory Authorities or other governmental authorities, that may be in effect from time to time in any relevant legal jurisdiction.

1.4 "Business Day" means a day other than Saturday, Sunday or any day on which commercial banks located in the State of New York, U.S.A., or Argentina are authorized or obligated by Applicable Laws to close.

1.5 "Calendar Quarter" means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30, and December 31; *provided*, *however*, that (a) the first Calendar Quarter of the Term will extend from the Effective Date to the end of the first complete Calendar Quarter thereafter and (b) the last Calendar Quarter of the Term will end upon the termination of this Agreement.

1.6 "Calendar Year" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

1.7 "Change in Control" means and includes, with respect to Distributor or Parent, **[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***].

1.8 "Clinical Trials" means any and all human clinical trials of a compound, including without limitation Phase 1 Clinical Trials, Phase 2 Clinical Trials, Phase 3 Clinical Trials, Phase 4 Clinical Trials, bioequivalence trials, and/or variations of such trials (for example, Phase 2/3 studies).

1.9 "Coherus Indemnitees" has the meaning set forth in **Section 9.1 (Coherus' Right to Indemnification)**.

1.10 "Coherus Know-How" means all Information that is (a) Controlled by Coherus as of the Effective Date or during the Term that is not publicly known, even though parts thereof may be known, and (b) necessary to Commercialize Products in the Field in the Territory. "Coherus Know-How" does not include Coherus Patent Rights.

1.11 "Coherus Patent Rights" means any Patent and/or Patent Application that (a) is Controlled by Coherus as of the Effective Date or during the Term and (b) claims a product, method, apparatus, material, manufacturing process, or other technology necessary to Commercialize Products in the Field in the Territory. "Coherus Patent Rights" as of the Effective Date shall be set forth in **Exhibit 1.11 (Coherus Patent Rights)** which shall be updated from time to time during the Term by Coherus.

1.12 "Commercially Reasonable Efforts" means the carrying out of obligations or tasks consistent with the reasonable practices of the biopharmaceutical industry for the development or marketing of a biopharmaceutical product having similar market potential or profit potential in the applicable country within the Territory as the applicable Product, based on conditions then prevailing and taking into consideration issues of safety, efficacy, product profile, the competitiveness of the marketplace in such country within the Territory, the regulatory structure involved and other relevant commercial factors. Commercially Reasonable Efforts requires that the Party, at a minimum: (a) determine the general industry practices in the applicable country within the Territory with respect to the applicable activities; (b) promptly assign responsibility for such obligations to specific employee(s) who are held accountable for progress and monitor such progress on an on-going basis; (c) set and consistently seek to achieve specific and meaningful objectives for carrying out such obligations; and (d) diligently make and implement decisions and allocate resources designed to advance progress with respect to such objectives.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.13 "Commercialization" or **"Commercialize"** means, with respect to a Product, any and all activities directed to the marketing, advertising, promotion, detailing, offering for sale, selling, distribution (including, without limitation, secondary packaging operations in the Territory related to Finished Product, quality control and quality assurance), and post market surveillance, importing and/or exporting (but not exporting to outside the Territory) such Product for sale in the Territory, and interacting with Regulatory Authorities in the Territory regarding the foregoing. For clarity, "Commercialization" shall not include the conduct of any Clinical Trials, even if commenced following Regulatory Approval.

1.14 "Commercialization Plan(s)" means, for each Product, the plan for Commercialization of such Product in the Field and the activities to be conducted by Distributor relating thereto, including without limitation the long-term strategic plan, which includes the timeline for Regulatory Filings, other activities to be conducted prior to First Commercial Sale, planning for launch of such Product, and activities to be conducted after launch of such Product, as well as detailed near-term plans, for example detailed plans for sales and marketing after launch of such Product.

1.15 "Confidential Information" has the meaning set forth in **Section 10.1 (Confidentiality; Exceptions)**.

1.16 "Control" means, with respect to any item of Information, Patent, Patent Application, or other intellectual property right, the right to grant a license or sublicense with respect thereto as provided for in this Agreement without violating the terms of any agreement or other arrangement with, or any legal rights of, or without requiring the consent of, or payments to, any Third Party.

1.17 "Damages" has the meaning set forth in **Section 9.1 (Coherus' Right to Indemnification)**.

1.18 "Disputes" has the meaning set forth in **Section 13.1** (**Exclusive Dispute Resolution Mechanism).**

1.19 "Distributor Indemnitees" has the meaning set forth in **Section 9.2 (Distributor's Right to Indemnification)**.

1.20 "Dollar" means a U.S. dollar, and **"$"** shall be interpreted accordingly.

1.21 "Enforcement Action" has the meaning set forth in **Section 7.3 (Enforcement Actions Against Third Parties)**.

1.22 "Exploit" means the importation, exportation, use, sale, offering for sale, or disposition of a Product, including without limitation the packaging, storage, import, export, transport, distribution, sale or offering to sell, advertisement, contracting for or with, and promotion or marketing of, a Product, or in any other manner or extent making or attempting to make profit with respect to or commercializing such Product.

1.23 "Field" means the treatment of human diseases and conditions.

1.24 "Finished Product" means **[***]** Product in final finished form, **[***]**, and described in specifications included in the Regulatory Approvals in the Territory. For clarity, and subject to Regulatory Approvals, "Finished Product" shall include, **[***]**.

1.25 "First Commercial Sale" means, with respect to each Product, the first sale of such Product by Distributor or its Affiliates or permitted Sublicensees to a Third Party end user (other than a permitted Sublicensee) in a bona fide arm's length transaction for which payment has been received in any country in the Territory after all applicable required Regulatory Approvals have been granted by the applicable Regulatory Authority in such country.

1.26 "GAAP" means generally accepted accounting principles, consistently applied and employed by Distributor or its Affiliates or permitted Sublicensees in the applicable country in the Territory.

1.27 "[***] Profit" means, for any reporting period and on a Product-by-Product basis, the Net Sales invoiced for such period on sales of each Product in the Territory by Distributor and its Affiliates and permitted Sublicensees to Third Party end users in bona fide arm's length transactions *minus* the following deductions: **[***]**.

1.28 "Indemnification Claim" has the meaning set forth in **Section 9.3 (Process for Indemnification).**

1.29 "Indemnitee" has the meaning set forth in **Section 9.3 (Process for Indemnification).**

1.30 "Indemnitor" has the meaning set forth in **Section 9.3 (Process for Indemnification).**

1.31 "Information" means ideas, inventions, discoveries, concepts, formulas, practices, procedures, processes, methods, knowledge, know-how, trade secrets, technology, designs, drawings, computer programs, skill, experience, documents, results, clinical and regulatory strategies, test data, including without limitation pharmacological, toxicological and clinical and non-clinical data, analytical and quality control data, manufacturing data and descriptions, Patent and legal data, market data, financial data or descriptions, assay protocols, chemical formulas, sequence listings, specifications, and the like, in written, electronic or other form, now known or hereafter developed, whether or not patentable.

1.32 "Major Market Country(ies)" has the meaning set forth in **Exhibit 1.58**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.33 "Manufacture" or **"Manufacturing"** means all manufacturing activities undertaken with respect to Products in support of commercial supply in the Territory of Finished Product, as applicable, including, without limitation, manufacture, sterilization, lyophilization, quality control, quality assurance, and release.

1.34 "Manufacturing and Supply Agreement" has the meaning set forth in **Section 4.1 (Manufacturing and Supply Agreement).**

1.35 "Manufacturing Cost" means, on a Finished Product-by-Finished Product basis, (a) if Coherus is using a Third Party contract manufacturer to manufacture the Finished Product, **[***]**; or (b) if Coherus or an Affiliate is directly manufacturing the Finished Product, **[***]**. **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.36 "Net Sales" means the gross invoiced sales prices charged for Products sold by Distributor or its Affiliates or permitted Sublicensees in arm's length transactions to Third Parties; less the total of the following charges or expenses in regard to such sales as determined in accordance with GAAP: (i) non-recoverable taxes, tariffs and duties and any other governmental charges paid for and either (A) separately identified on the invoice or (B) reflected in the books and records of Distributor or its Affiliates or permitted Sub-licensees and levied on the sale of Products, including but not limited to, **[***]**; (ii) trade, cash, prompt payment and/or quantity discounts, actually allowed and taken directly by the Third Party, and mandated discounts; (iii) rejections, returns, allowances, rebates, chargebacks, credits or payments to government agencies or other Third Parties; (iv) retroactive price reductions actually granted to the Third Party applicable to sales of such product and (v) credits or allowances actually granted to the Third Party for product replacement, whether cash or trade. Notwithstanding the foregoing, any disposal of Products at no charge for, or use of Products at no charge in, non-clinical applications, clinical trials or pre-clinical studies (including in collaboration with academic and research institutions), and Products given as free samples, or distributed at no charge to patients unable to purchase Product shall not be included in Net Sales.

1.37 "Option" has the meaning set forth in **Section 2.3 (Option to Obtain a License in the Territory)**.

1.38 "Option Product" means any biological products that are demonstrated to be "biosimilar" to or "interchangeable" with an FDA-licensed biologic product developed by or on behalf of Coherus following the Effective Date and during the Option Term, other than the Products as of the Effective Date. The biosimilar product for **[***]**.shall not be an Option Product if Coherus has granted **[***]** no later than twelve (12) months after marketing authorization has been obtained by Coherus from the regulatory authorities in any of **[***]**. For clarity, if Coherus does not grant such commercialization rights **[***]** within twelve (12) months after such marketing authorization has been obtained, the biosimilar product for **[***]** shall be an "Option Product" and Distributor shall have a period of ninety (90) days after receipt of notice from Coherus of such Option Product's availability in which to exercise the Option for such Option Product.

1.39 "Option Term" means, on an Option Product-by-Option Product basis, that period of time beginning on the Effective Date and ending ninety (90) days after notice in writing has been given by Coherus and delivered to Distributor of the **[***]** for such Option Product.

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1.40 "Packaging" means secondary packaging for a Product according to the requirements of each country in the Territory.

1.41 "Parent" means, in the case of Distributor, **[***]**, or any entity or entities that individually or collectively, directly, or indirectly through one or more intermediates, controls or control Distributor, and in the case of Coherus, any Affiliate that directly, or indirectly through one or more intermediates, controls Coherus. For clarity, as of the Effective Date, Coherus does not have a Parent. For the purposes of this **Section 1.41**, "control" shall mean the possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting equity, voting member or partnership interests, control of a majority of the board of directors or other similar body, or through contract or otherwise.

1.42 "Patent" means (a) letters patent (or other equivalent legal instrument), including without limitation utility and design patents, and including without limitation any extension, substitution, registration, confirmation, reissue, re-examination or renewal thereof, and (b) all foreign or international equivalents of any of the foregoing in any country.

1.43 "Patent Application" means (a) an application for letters patent, including without limitation a reissue application, a re-examination application, a continuation application, a continued prosecution application, a continuation-in-part application, a divisional application or any equivalent thereof that is pending at any time during the Term before a government patent agency and (b) all foreign or international equivalents of any of the foregoing in any country.

1.44 "Phase 1 Clinical Trial" means a human clinical trial of a compound, the principal purpose of which is a preliminary determination of safety in healthy individuals or patients, as described in 21 C.F.R. 312.21(a), or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.45 "Phase 2 Clinical Trial" means a human clinical trial of a compound in any country that would satisfy the requirements of 21 C.F.R. 312.21(b) and is intended to explore a variety of doses, dose response, and duration of effect, and to generate initial evidence of clinical safety and activity in a target patient population, or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

1.46 "Phase 3 Clinical Trial" means a human clinical trial of a compound performed after evidence suggesting effectiveness of the compound has been obtained pursuant to one (1) or more Phase 2 Clinical Trial(s), conducted for inclusion in: (a) that portion of an FDA submission and approval process which provides for the continued trials of a product on sufficient numbers of human patients to confirm with statistical significance the safety and efficacy of a product sufficient to support a Regulatory Approval for the proposed indication, as more fully described in 21 C.F.R. 312.21(c), or (b) equivalent Regulatory Filings with similar requirements in a country other than the United States; or a similar clinical study prescribed by the Regulatory Authorities in a foreign country.

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1.47 "Phase 4 Clinical Trial" means a human clinical trial of a Product commenced after receipt of Regulatory Approval of the Product not for the purpose of satisfying a condition imposed by a Regulatory Authority to obtain Regulatory Approval, but only to support the marketing of such Product.

1.48 "Product" means any of the Coherus products set forth in **Exhibit 1.48 (Products)** and any Option Products for which Distributor has exercised the Option, For the avoidance of doubt: **[***]** shall not initially be within the definition of Product; **[***]**; if **[***]**, and **[***]** shall be included as a Product **[***]**.

1.49 "Product Trademark" has the meaning set forth in **Section 5.3(a) (Product Trademark)**.

1.50 "Regulatory Approval" means approval by the Regulatory Authority having jurisdiction in the applicable country in the Territory of a Regulatory Approval Application and satisfaction of related applicable regulatory and notification requirements, if any, together with any other approvals necessary to sell a Product commercially in such country, including without limitation any pricing approvals. For clarity, Regulatory Approvals shall not include any such approvals necessary to Manufacture a Product for commercial sale in such country.

1.51 "Regulatory Approval Application" means (a) the single application or set of applications in a country in the Territory comparable to a Biologic License Application, as defined by the United States Food and Drug Administration (**"USFDA"**) in 21 C.F.R. Part 601, or other applicable filing for each Product to sell commercially such Product, filed by Distributor, its Affiliates or permitted Sublicensees with the applicable Regulatory Authority, and (b) any related registrations with or notifications to such Regulatory Authority, and any amendments or supplements thereto and any substitutes.

1.52 "Regulatory Authority" means any applicable supra-national, federal, national, regional, state, provincial or local regulatory agencies, departments, bureaus, commissions, councils or other government entities regulating or otherwise exercising authority with respect to the Products in the Territory, including without limitation the equivalent in the Territory to the USFDA.

1.53 "Regulatory Filings" means any and all Regulatory Approval Applications and other regulatory applications, filings, approvals and associated correspondence required to Commercialize, and import Products in, or into, each country or jurisdiction in the Territory.

1.54 "Related Agreements" means the Manufacturing and Supply Agreement, the pharmacovigilance agreement between Coherus and Distributor described in **Section 3.7 (Pharmacovigilance)**, the quality assurance agreement between Coherus and Distributor described in **Section 4.1 (Manufacturing by Coherus)** and any other agreement entered into by the Parties related to the Commercialization of the Products in the Territory.

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1.55 "Rules" has the meaning set forth in **Section 13.3(b) (Arbitration)**.

1.56 "Sublicensee" means any person or entity to which Distributor grants a sublicense to the extent permitted under **Section 2.2 (Sublicense Rights)** (other than Coherus or Affiliates of Coherus).

1.57 "Term" has the meaning set forth in **Section 11.1 (Term)**.

1.58 "Territory" means the country(ies) set forth in **Exhibit 1.58 (Territory)**.

1.59 "Third Party" means any person or entity other than Distributor, Coherus, or an Affiliate of either of them.

1.60 "Trademark" means any word, name, symbol, color, designation or device or any combination thereof, whether registered or unregistered, including without limitation any trademark, trade dress, service mark, service name, brand mark, trade name, brand name, logo or business symbol.

2. LICENSES.

2.1 License Grants.

(a) Commercialization License to Distributor. Subject to the terms and conditions of this Agreement, Coherus hereby grants to Distributor and its Affiliates an exclusive (subject to **Section 2.4 (No Implied Rights or Licenses; Retained Rights)**) license, under the Coherus Know-How and Coherus Patent Rights, to Commercialize Products in the Field in the Territory. Exclusivity granted to Distributor means that Coherus shall not grant in the Territory rights to Commercialize or otherwise Exploit Products to any other party than Distributor and that Coherus itself shall not conduct any of such activities in the Territory with respect of the Products, except as specifically agreed in this Agreement. The foregoing license does not include the right to conduct research on Products or Option Products within or outside the Territory, to develop Products or Option Products within or outside the Territory, to Manufacture, or have Manufactured, Products or Option Products within or outside the Territory, or to commercialize Products or Option Products outside the Territory.

(b) Disclosure of Information. Coherus shall disclose to Distributor the Coherus Know-How necessary for Distributor to prepare and file Regulatory Filings in the Territory. **[***]**.

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(c) Notice from Coherus. Coherus shall provide written notice to Distributor promptly upon confirmation that Coherus **[***]**. Following delivery of such notice to Distributor, the Parties shall discuss in good faith **[***]** in a manner that is consistent with US law **[***]**, it being understood that for such **[***]** Distributor shall not be required to perform any obligation other than **[***]**. If **[***]**.

2.2 Sublicense Rights. Distributor shall not grant sublicenses under the licenses granted to it under **Section 2.1(a) (Commercialization License to Distributor)** without the prior written consent of Coherus which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, no consent by Coherus shall be necessary if sublicenses under the licenses granted to Distributor under **Section 2.1(a)** are granted by Distributor to **[***]**, or to **[***]** or to an Affiliate of Distributor. With the exception of an Affiliate of Distributor, any other Sublicensee shall not have the right to grant further sublicenses without the prior written consent of Coherus, which consent shall not be unreasonably withheld, conditioned or delayed. Upon termination of this Agreement (whether in its entirety or with respect to a particular Product or country in the Territory), any associated rights granted to Sublicensees shall terminate immediately.

2.3 Option to Obtain a License in the Territory. Subject to the terms and conditions of this Agreement and while this Agreement is in force, Coherus hereby grants to Distributor the exclusive option during the Option Term to obtain an exclusive license to Commercialize the Option Products in the Field in the Territory (the "**Option**"), exercisable at **[***]** on an **[***]** basis, beginning on the date on which notice in writing has been given by Coherus and delivered to Distributor **[***]** and thereafter during the Option Term, under the terms and conditions set forth in this Agreement**[***]**. For the avoidance of doubt, Parties agree that the Option is **[***]**. The written notice provided by Coherus will include **[***]** for the applicable Option Product as well as **[***]**. Distributor shall exercise the Option, if at all, by written notice (the **"Option Notice"**) received by Coherus within ninety (90) days after notice in writing has been given by Coherus and delivered to Distributor **[***]**, which Option Notice shall make reference to this Agreement and the applicable Option Product(s) and shall state Distributor's decision to exercise the Option with respect to such Option Product(s). Upon receipt by Coherus of such Option Notice, the relevant Option Product(s) shall automatically be included in the "Product" definition of this Agreement and shall be applicable to all countries in the Territory and the Parties shall update **Exhibit 1.48** to reflect such inclusion. If an Option

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Notice is not received by Coherus prior to the expiration of the applicable Option Term, Distributor shall have no further rights in the applicable Option Product and Coherus may thereafter license any and all rights in such Option Product to a Third Party in the Territory. Coherus may terminate the Option as to all remaining Option Products in a particular country, on a country-by-country basis, upon **[***]**. If Coherus shall elect to terminate the Option as to all remaining Option Products **[***]**, then Distributor may request Coherus' **[***]**. Upon the occurrence of **[***]**, the Option as to all remaining Option Products shall terminate in its entirety automatically**[***]**. To the extent practicable, Distributor shall provide written notice of **[***]**. For purposes of this **Section 2.3**: **[***]** means **[***]**; and **[***]** means **[***]**. From time to time or when reasonably requested by Distributor, Coherus shall inform Distributor of its plans to develop Option Products and intended timelines for such development in order to allow Distributor the possibility to anticipate with a reasonable lead time the products that eventually would be targeted by Coherus as Option Products.

2.4 No Implied Rights or Licenses; Retained Rights. Coherus grants to Distributor no rights or licenses in or to any Patent, Information, Trademark, or other intellectual property right, whether by implication, estoppel or otherwise, except to the extent expressly set forth in this Agreement. All rights not expressly granted to Distributor in this Agreement are hereby retained by Coherus. Coherus further retains the right, under the Coherus Know-How and Coherus Patent Rights, to perform Coherus' obligations under this Agreement. The Parties further acknowledge that no rights are granted hereunder to Distributor with respect to any country outside the Territory, and that Distributor shall have no authority with respect to the development, manufacture, or commercialization of the Products outside the Territory. As between the Parties, Coherus shall have the sole right to conduct research, development and Manufacturing inside or outside the Territory, and to commercialize the Products outside the Territory, unless otherwise agreed by the Parties with respect to certain aspects of Manufacturing. Notwithstanding the foregoing, in the event that in one or more countries of the Territory, **[***]** is required by governmental authorities, including without limitation, Regulatory Authorities, or **[***]**, then the Parties shall meet and consult in good faith on the feasibility of **[***]** or such other requirements of such governmental authorities (which the Parties acknowledge would require the amendment of the Manufacturing and Supply Agreement and/or execution of a new manufacturing and supply agreement). For the

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avoidance of doubt, Coherus shall not be obliged to transfer any Manufacturing technology, including without limitation, cell lines, cell culture and product purification technologies.

3. DEVELOPMENT AND REGULATORY MATTERS.

3.1 Development Activities. [***] shall have the sole responsibility for conducting development of the Products, including, without limitation, Clinical Trials related to the Products, whether within or outside the Territory. In addition, (a) Coherus and Distributor shall consult with Regulatory Authorities in **[***]** prior to initiation of the first Phase 3 Clinical Trial for the Product anywhere in the world with respect to the need to include patients from **[***]** in any Phase 3 Clinical Trial; (b) **[***]** will use Commercially Reasonable Efforts to include the number of patients from **[***]** required by the applicable Regulatory Authorities to be included in any Phase 3 Clinical Trial conducted by or on behalf of Coherus**[***]**; (c) if additional Clinical Trials are required by any Regulatory Authority in connection with (e.g., Phase 4 Clinical Trials) or following receipt of Regulatory Approval, other than Additional Manufacturing Studies (as defined below) (**"Additional Required Clinical Trials"**), Coherus shall consult in good faith with Distributor on the feasibility of conducting such Additional Required Clinical Trials (**[***]**); (d) **[***]** shall retain final decision-making on whether to proceed with any such Additional Required Clinical Trials unless **[***]** agrees to pay for any such Additional Required Clinical Trials, in which case **[***]** shall use Commercially Reasonable Efforts to conduct such Additional Required Clinical Trials and **[***]** shall promptly pay any invoices submitted by Coherus related to such Additional Required Clinical Trials; (e) if, in connection with the implementation of any **[***]** and such **[***]** are not also required outside the Territory, Coherus shall consult in good faith with Distributor on the feasibility of conducting such **[***]**); (f) Coherus and Distributor shall consult with Regulatory Authorities in **[***]** prior to initiation of such **[***]**; (g) if **[***]**, then **[***]**; and (h) **[***]** shall retain final decision-making on whether to proceed with any such **[***]** for the Territory unless **[***]** agrees to pay for any such **[***]** for the Territory in which case **[***]** shall use Commercially Reasonable Efforts to conduct such **[***]** for the Territory, **[***]** shall promptly pay any invoices submitted by **[***]** related to such **[***]** and, **[***]**. **[***]** shall, on **[***]** reasonable request, provide assistance to **[***]** in conducting development of the Products in the

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Territory, including without limitation, any Additional Required Clinical Trials or any **[***]**.

3.2 Regulatory Matters.

(a) Regulatory Filings. Except with respect to Regulatory Filings controlled by Coherus under **Section 4.2 (Regulatory Filings for Manufacturing)**, Distributor or its designee shall be the owner of any and all Regulatory Filings and Regulatory Approvals covering the Products in the Field in the Territory and shall be responsible for all interactions with Regulatory Authorities relating thereto; *provided*, *however*, that, at all times during the Term, Distributor may not file any Regulatory Filings, including without limitation, Regulatory Approval Applications, or otherwise interact with any Regulatory Authorities, without the prior written consent of Coherus, which consent shall not be unreasonably withheld, conditioned or delayed; *provided*, *further,* Coherus shall have the opportunity to participate in all meetings solely as observer, and other communications with Regulatory Authorities relating to the Products**[***]**. Distributor and its Affiliates and permitted Sublicensees shall promptly provide Coherus, at Distributor's expense, with a complete copy of all Regulatory Filings and Regulatory Approvals. As between the Parties, Coherus shall be the owner of any and all regulatory filings by Coherus, its Affiliates or licensees with the USFDA or its equivalent in each country outside the Territory pertaining to the Products and shall be responsible for all interactions with such regulatory authorities relating thereto. **[***]**. Additionally, **[***]**.

(b) Regulatory Communications. Except with respect to Regulatory Filings controlled by Coherus under **Section 4.2 (Regulatory Filings for Manufacturing)**, Distributor shall be responsible for reporting all adverse events and handling all complaints and communications relating to the Products in the Field in the Territory; *provided*, *however,* Distributor shall notify Coherus of all serious adverse event reports within seventy two (72) hours of the time such adverse event becomes known to Distributor.

3.3 Efforts.

(a) Commercially Reasonable Efforts. Subject to **Section 3.2(a) (Regulatory Filings)**, Distributor and its Affiliates and Sublicensees**[***]**, shall promptly use Commercially Reasonable Efforts (i) to prepare and submit Regulatory Filings for the Products in the Territory promptly following any receipt of regulatory approval by Coherus, its Affiliates or sublicensees anywhere in the world and (ii) to obtain and maintain all Regulatory Approvals of the Products in all Major Market Countries. If Distributor shall not have prepared and submitted Regulatory Filings for the Products in countries of the Territory other than the Major Market Countries of the Territory **("Minor Market Countries of the Territory")**, within twenty four (24) months as of the date of the submission of Regulatory

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Filings in the first of the Major Market Countries, then Coherus and Distributor shall **[***]**. For the avoidance of doubt, **[***]**. Coherus**[***]** shall use Commercially Reasonable Efforts to provide assistance, including without limitation**[***]** to Distributor as Distributor prepares and submits Regulatory Filings for the Products in the Territory. Coherus will **[***]**. Distributor, its Affiliates and permitted Sublicensees, shall be **[***]**.

(b) Additional Diligence Obligations. In addition to the requirement to use Commercially Reasonable Efforts as set forth in **Section 3.3(a) (Efforts)**, Coherus shall also be required to attain the specific regulatory diligence milestones for each Product set forth in **Exhibit 3.3(b)**. **Diligence Requirements.**

3.4 Standard of Performance. Distributor, in performing its activities in connection with preparing and submitting Regulatory Filings for the Products in the Territory and obtaining and maintaining all Regulatory Approvals of the Products in the Territory, shall comply with all Applicable Laws.

3.5 Records. Distributor shall, and shall require its Affiliates and permitted Sublicensees to, maintain records of all work, in accordance with Applicable Laws, conducted in furtherance of the Regulatory Approval of Products and all results, Information, and developments made in conducting such activities. Such records shall be complete and accurate and shall fully and properly reflect all such work done and results achieved in sufficient detail and in good scientific manner.

3.6 Right of Reference; Access to Regulatory Dossiers.

(a) Subject to **Section 4.2(a) (Regulatory Filings for Manufacture)**, Distributor hereby grants to Coherus, its Affiliates and licensees a right of reference **[***]** to any Regulatory Filings by Distributor with the Regulatory Authorities pertaining to the Products**[***]**.

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(b) Coherus hereby grants to Distributor, its Affiliates and permitted Sublicensees a right of reference **[***]** to any regulatory filings by Coherus or its licensees **[***]**.

(c) Coherus and Distributor shall consult to determine **[***]**.

3.7 Pharmacovigilance. In no event later than twelve (12) months after the Effective Date, the Parties shall enter into a pharmacovigilance agreement concerning all matters relating to the pharmacovigilance and the exchange of all relevant Information that relates to the safety of each Product worldwide and especially all adverse events and which will provide that (a) Distributor will liaise with Coherus' pharmacovigilance provider for its reporting obligations**[***]**, (b) Distributor shall be responsible for reporting all adverse drug reaction experiences required to be reported to the appropriate Regulatory Authorities in the countries in the Territory in which such Product is being Commercialized, in accordance with the Applicable Laws of the relevant countries and Regulatory Authorities in coordination with Coherus and with the review and final approval by Coherus of any such reporting; and (c) Coherus, its Affiliates or licensees or sublicensees shall be responsible for submitting all regulatory filings, including without limitation any post-marketing reports of adverse drug experiences, relating to such Product required to be reported to the appropriate regulatory authorities outside of the Territory in accordance with the Applicable Laws of the relevant countries. Each Party shall have the right to share any and all information received from the other Party under this **Section 3.7** (and/or such pharmacovigilance agreement) with its Affiliates and licensees and sublicensees, including without limitation, permitted Sublicensees. Coherus shall review from time to time Distributor's pharmacovigilance policies and procedures. Subject to the requirements of **Section 11.3 (Termination for Material Breach)** including the requirement of providing written notice and the entitlement of a cure period**,** in the event that **[***]** rate of reported serious adverse events within a country within the Territory for a Product compared to **[***]**, Coherus shall have the right to terminate all rights granted to Distributor under this Agreement with respect to such Product in such country, and **Section 11.6 (Consequences of Termination)** shall apply with respect to such Product in such country.

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3.8 Reporting. At least once every six (6) months during the Term, Distributor shall submit a written report to Coherus covering the preceding six (6) month period. Each report will describe: Distributor's progress in connection with any regulatory and/or Commercialization activities, on a Product-by-Product basis, including work completed, current schedules or anticipated events or milestones, market plans for introduction of Products, and significant corporate transaction(s) involving Products. Distributor shall also provide to Coherus copies of any reports received from its permitted Sublicensees, within thirty (30) days of receipt. In addition, upon the reasonable request of Coherus but no more frequently than **[***]**, Distributor and Coherus shall meet in-person (or by teleconference if mutually agreed) at a mutually agreeable location to discuss the topics described in the progress reports, and such other topics related to Products in the Territory as the Parties may reasonably request.

4. MANUFACTURING.

4.1 Manufacturing by Coherus. Coherus, either directly or through its designee, shall be responsible for the Manufacture and supply of Products to Distributor or its designated Affiliates or permitted Sublicensees for Commercialization in the Territory. Coherus will use Commercially Reasonable Efforts to supply all of Distributor's, its Affiliates' and permitted Sublicensees' requirements for each Product in the Territory. Such Product shall be supplied as Finished Product**[***]**. Coherus will **[***]**. For clarity, Distributor shall be responsible for Packaging of Product. The Parties shall negotiate in good faith and enter into a definitive written commercial supply agreement, by mutually agreed timing, which will specify the terms of the Manufacturing and supply of Products by Coherus to Distributor or its designee for commercial use in the Territory (the **"Manufacturing and Supply Agreement"**). The Manufacturing and Supply Agreement shall be consistent with the terms and conditions in this **Section 4.1, Exhibit 4.1 (Commercial Supply Key Provisions)**, and all other relevant provisions of this Agreement, and shall contain customary market terms; *provided however* that such terms shall not impose on the Parties material obligations that are not consistent with the terms and conditions set out in this **Section 4.1** and **Exhibit 4.1**. In addition, the Parties shall negotiate in good faith and enter into a definitive written quality assurance agreement in conjunction with the Manufacturing and Supply Agreement, which quality assurance agreement shall be consistent with pharmaceutical practices related to biologic commercial quality assurance agreements.

4.2 Regulatory Filings for Manufacturing. Coherus shall be solely responsible for the preparation and submission of all regulatory filings with respect to the Manufacture of the Products provided to Distributor or its designee pursuant to **Section 4.1 (Manufacturing by Coherus)**, including without limitation with respect to the use of any Third Party to Manufacture and supply the Products. Distributor shall provide Coherus any cooperation reasonably requested by Coherus in connection with any such regulatory filings, and Coherus shall **[***]**.

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5. COMMERCIALIZATION

5.1 Commercialization.

(a) Commercially Reasonably Efforts. Distributor shall be responsible for the Commercialization of Products and shall use Commercially Reasonable Efforts to Commercialize the Products in the Field in the Territory in accordance with the applicable Commercialization Plan and terms of this Agreement. Coherus shall have the right at all times to review and provide advice regarding the overall progress of Distributor's efforts to Commercialize Products as well as, with Distributor input and market feedback, to establish jointly with Distributor the Commercialization Plans, and any modifications thereof. Distributor shall brief Coherus regarding the content, execution, and results achieved under the Commercialization Plan.

(b) Additional Diligence Obligations. In addition to the requirement to use Commercially Reasonable Efforts to Commercialize the Products in the Field in the Territory, Distributor shall also be required to attain the specific diligence milestones for each Product set forth in **Exhibit 3.3(b)**.

(c) Excuse for Distributor Non-performance. Notwithstanding the foregoing obligations set forth in this **Section 5.1 (Commercialization)**, Distributor shall not launch any Product in a country in the Territory if Coherus provides written notice that a dispute or a litigation involving intellectual property rights covering or alleged to cover such Product in the Territory is threatened or initiated by a Third Party and which dispute or litigation may likely result in preventing the Manufacture of the Products and storage, promotion, sale and/or distribution of the Products in the Territory. Coherus and Distributor will investigate the dispute or litigation, whether threatened or initiated, and shall **[***]**.

5.2 Commercialization Plans. Not later than nine months (9) months after the Effective Date, Distributor shall provide to Coherus for review and approval its initial Commercialization Plan for the Commercialization of each Product for each country in the Territory. Such initial Commercialization Plan shall be tentative and shall also depend on Coherus' progress with respect to the development of Products, including without limitation, regulatory filings and/or approvals world-wide for Products and regulatory approvals for manufacturing facilities used in the Manufacture of Products. Each initial Commercialization Plan will describe Distributor's plans for activities to be conducted for each Product for each country and timelines for data preparation and submission of Regulatory Filings and will include details of obligations to be performed by Distributor to achieve the specific activities that are applicable to the stage of Commercialization (e.g., pre-launch, launch planning, launch, or post-

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launch) of the applicable Product during the time period covered by such Commercialization Plan and subsequent time periods. Each Commercialization Plan shall conform to the requirements mutually agreed by the Parties prior to the delivery of the initial Commercialization Plan. Prior to the First Commercial Sale for a Product in a country in the Territory, Distributor will provide to Coherus for review and approval an updated Commercialization Plan for such Product for such country. Such updated Commercialization Plan will include, but not be limited to, Distributor's updated plans for activities to be conducted for such Product for such country **[***]** as well as activities to be conducted **[***]**. Promptly after each annual anniversary of the First Commercial Sale of such Product during the Term, Distributor will provide to Coherus for review and approval updated Commercialization Plans for such Product for such country. Such further updated Commercialization Plan will include, but not be limited to, Distributor's plans for Commercialization activities for such Product for such country for the twelve (12) month period following the date of delivery of such Commercialization Plan. No Commercialization Plan may be implemented by Distributor if it is determined by Coherus that such plan has a material adverse impact on the development and/or commercialization of any Product inside or outside the Territory. Each Commercialization Plan shall be consistent with and shall not contradict the terms of this Agreement **[***]**, and in the event of any inconsistency between the Commercialization Plan and this Agreement, the terms of this Agreement shall prevail. Notwithstanding the foregoing, if a Regulatory Authority or Applicable Law requires a change to a Commercialization Plan, Distributor shall revise the Commercialization Plan to the extent necessary to comply with such requirement and shall promptly provide to Coherus the revised Commercialization Plan for its review and approval. Approval by Coherus of the Commercialization Plans shall not be unreasonably withheld, delayed or conditioned.

5.3 Trademarks.

(a) Product Trademark. Each Product, including without limitation all packaging, promotional materials, package inserts, and labeling for such Product, shall bear one or more Trademark(s) that pertain specifically to such Product in the Territory chosen by Distributor (**"Product Trademark"**). For clarity, no Trademark of Coherus may be included as a Product Trademark without the prior written consent of Coherus, which may be withheld in its sole discretion. Prior to filing any application for a Product Trademark or any proposed response to Regulatory Authorities relating to any such application, Distributor shall give Coherus reasonably opportunity to review and comment on any such application or response, and Distributor shall consider Coherus' comments in good faith and include those that benefit the Product and/or the Product Trademark in the Territory. All Product Trademarks shall be owned by Distributor; *provided* that Distributor may use Coherus' corporate name in a country in the Territory solely to the extent required by Regulatory Authorities in such country in the Territory. Otherwise, the Parties shall consult and reasonably agree on use of Coherus Trademark(s) and corporate logos in each country in the Territory.

(b) Trademark Prosecution and Maintenance. Distributor shall **[***]** be responsible for filing, prosecuting and maintaining, including without limitation searching and policing, any and all Product Trademarks, and conducting litigation with respect thereto.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

5.4 Standard of Performance. Distributor, in performing its Commercialization activities for the Products in the Territory, shall comply with all Applicable Laws.

5.5 No Re-Importation.

(a) Distributor will ensure that reasonable safeguards are put in place so that Products sold in the Territory are not, directly or indirectly, exported, or marketed, distributed, or sold, outside of the Territory. Distributor shall not, directly or indirectly, offer Products to any Third Party that Distributor knows is going to, directly or indirectly, export such Products, or market, distribute, or sell such Products, outside of the Territory. If Distributor becomes aware that any of its customers has, directly or indirectly, imported Products into, exported Products to, or marketed, distributed, or sold Products in, any country outside of the Territory, or has reason to believe that a customer intends to, directly or indirectly, import Products, export Products to, or market, distribute, or sell Products, outside of the Territory, Distributor shall take reasonable actions to cause such customer to cease such import, export, marketing, distribution, or sales activities, including **[***]**.

(b) Coherus will ensure that reasonable safeguards are put in place so that Products sold outside the Territory are not, directly or indirectly, exported, or marketed, distributed, or sold, in the Territory. Coherus shall not, directly or indirectly, offer Products to any Third Party that Coherus knows is going to, directly or indirectly, export such Products, or market, distribute, or sell such Products, in the Territory. If Coherus becomes aware that any of its customers has, directly or indirectly, imported Products into, exported Products to, or marketed, distributed, or sold Products in, any country in the Territory, or has reason to believe that a customer intends to, directly or indirectly, import Products, export Products to, or market, distribute, or sell Products, in the Territory, Coherus shall take reasonable actions to cause such customer to cease such import, export, marketing, distribution, or sales activities, including **[***]**.

6. PAYMENT OBLIGATIONS.

6.1 Profit Share. In consideration for the rights granted to Distributor under this Agreement, Distributor shall pay to Coherus non-refundable and non-creditable profit sharing payments equal to **[***]** (the **"Coherus Profit Share"**), as set forth in this **Section 6 (Payment Obligations)**.

6.2 Reports. Distributor shall report to Coherus reports related to the following, on a country-by-country and Product-by-Product basis within sixty (60) days of the end of each Calendar Quarter:

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- Gross Sales
- Deductions, by line item, from Gross Sales to get to Net Sales, including without limitation, **[***]**
- Net Sales
- Number of units of each Product sold
- Additional deductions, by line items, from Net Sales to get to **[***]**

An example of the report to be delivered each Calendar Quarter is attached hereto as **Exhibit 6.2**.

6.3 Functional Currency. The **"Functional Currency"** under this Agreement will be Dollars. Except as the Parties otherwise mutually agree, for billing and reporting, the Gross Sales, deductions from Net Sales, Net Sales, **[***]** and other deductions related to the calculation of Net Sales and **[***]** will all be converted into Dollars as of the last day of the month using the official average rate of exchange for the purchase of Dollars with local currency in each applicable country within the Territory where sales have been made. In the event in one or more countries in the Territory *de facto* or *de jure* restrictions or prohibitions are imposed to accessing the purchase of Dollars with local currency by Distributor´s Affiliates or Sublicensees' impeding those Distributor´s Affiliates or Sublicensees to transfer in Dollars all monies owed to Distributor for subsequent payment by Distributor to Coherus as provided hereunder (and only while such restriction or prohibition is in force), such average rate of exchange shall be the average rate of exchange quoted in a free exchange market where Dollars may be purchased with the affected local currency (i.e. as an example **[***]**, or **[***]**).

6.4 Audits and Interim Reviews. Either Party shall have the right to request that an internationally recognized, independent accounting firm to be mutually agreed upon by the Parties and that is not either Party's independent accounting firm perform an audit or interim review of the other Party's books and records as they relate to activities under this Agreement (including without limitation reports received and payments made) in order to express an opinion regarding such Party's accounting for revenues, costs and expenses under this Agreement. Such audits or review will be conducted at the expense of the requesting Party. Either Party shall have the right to request that an internationally recognized, independent accounting firm to be mutually agreed upon by the Parties and that is not either Party's independent accounting firm perform an audit of the other Party's books of accounts for the sole purpose of verifying compliance with the Agreement. Upon thirty (30) days' prior written notice from a Party (the **"Auditing Party"**), the other Party (the **"Audited Party"**) shall permit the mutually agreed upon independent accounting firm to examine the relevant books and records of the Audited Party and its Affiliates as may be reasonably necessary to verify the reports and information submitted by the Audited Party. An examination by a Party under this **Section 6.4 (Audits and Interim Reviews)** shall occur not more than once in any calendar year and shall be limited to the pertinent books and records for any calendar year ending not more than **[***]**

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before the date of the request. The accounting firm shall be provided access to such books and records at the Audited Party's facility(ies) and/or the facilities of its Affiliates or sub-distributors where such books and records are normally kept and such examination shall be conducted during the Audited Party's normal business hours. The Audited Party may require the accounting firm to sign a standard non-disclosure agreement with terms that are not inconsistent with the terms of the Agreement before providing the accounting firm access to the Audited Party's facilities or records. Upon completion of the audit, the accounting firm shall provide both Parties with a written report disclosing whether the reports submitted by the Audited Party are correct or incorrect and the specific details and supporting analysis for any discrepancies. No other information shall be provided to the Auditing Party. If the accounting firm determines that, based on errors in the reports so submitted, any report prepared in accordance with the Agreement is incorrect, the Parties shall promptly revise the report and the associated Reconciliation Statement and any additional amount owed by one Party to the other shall be paid within thirty (30) days after receipt of the accountant's report, along with interest at the lesser of (i) the annualized interest rate at the **[***]** or (ii) the highest rate permitted by applicable law from the date that such additional amount should have first been paid; provided, however, that no such interest shall be payable if the errors leading to the calculation being incorrect were in the reports provided by the Party to receive such additional amount. Additionally, if the accounting firm determines that the reports submitted by the Audited Party overstate the Audited Party's share by more than **[***]**, the Audited Party shall **[***]**. Notwithstanding anything to the contrary herein, the Parties shall coordinate with their Affiliates such that not more than one (1) audit of a Party and its Affiliates as a whole, shall be performed in any given calendar year with respect to the Commercialization under this Agreement or any Related Agreement.

6.5 Payment of Manufacturing Costs. Within **[***]** days of receipt of an invoice for Finished Product (which invoice shall be delivered upon shipment of Product to Distributor), Distributor shall make payment to Coherus of the Manufacturing Costs set forth in such invoice by wire transfer to such bank account as Coherus shall indicate from time to time.

6.6 Calculation of Profit Share. Within **[***]** days following the end of a Calendar Quarter, Distributor shall submit to Coherus its reports described in **Section 6.2 (Reports)** for such Calendar Quarter, setting forth true and accurate amounts for each category described in such reports. An example of the report to be delivered each Calendar Quarter is attached hereto as **Exhibit 6.2**. Distributor shall use the amounts set forth in these Calendar Quarter reports for purposes of calculating **[***]** for such Calendar Quarter and shall make a cash settlement to Coherus of the Coherus Profit Share no later than **[***]** days after the end of such Calendar Quarter.

6.7 Taxes. The Parties shall reasonably cooperate to maximize the tax efficiency for both Parties without bias to either Party. In addition, the Parties shall cooperate to facilitate appropriate proceedings required by tax authorities in the Territory relating to the payments hereunder.

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6.8 Interest. Any amount owed by Distributor to Coherus under this Agreement, that is not paid within the applicable time period set forth herein shall bear simple interest at **[***]** based on the total number of days payment is delinquent.

7. INTELLECTUAL PROPERTY AND INVENTIONS.

7.1 Patent Filings. Coherus shall have sole discretion and responsibility, in consultation with Distributor, to prepare, file, prosecute, and maintain any and all Patents and Patent Applications within the Coherus Patent Rights, and shall be responsible for related interference proceedings. Coherus shall bear all costs incurred pursuant to this **Section 7.1** for Patents and Patent Applications within the Coherus Patent Rights.

7.2 Defense of Infringement Claims by Third Parties. In the event of the institution or threatened institution of any suit by a Third Party against a Party or both Parties for infringement involving the development, manufacture or Commercialization of the Product in the Territory, Coherus shall have the right to defend such suit at Coherus' expense and Coherus shall be responsible for all damages resulting from any such suit. Distributor hereby agrees to assist and cooperate with Coherus, at Coherus' reasonable request, and Coherus shall reimburse Distributor any reasonable, documented, out-of-pocket costs incurred in connection therewith. Coherus shall solely control the defense of such a claim, in consultation with Distributor, and shall also have the right to control settlement of such claim. If such settlement shall adversely affect Distributor's rights or interests, then Distributor's prior written consent to such settlement shall be required, which prior written consent by Distributor shall not be unreasonably withheld, conditioned or delayed. Subject to such control, Distributor may join any defense and settlement pursuant to this **Section 7.2** with its own counsel at its sole cost.

7.3 Enforcement Actions Against Third Parties. If either Party learns of an infringement, unauthorized use, misappropriation, ownership claim, threatened infringement, or other similar claim by a Third Party with respect to the Coherus Patent Rights in the Territory, such Party shall promptly notify the other Party in writing and shall promptly provide such other Party with available evidence of such infringement or other such claim. Coherus shall have the sole right, at its expense, but not the obligation, to institute an infringement suit or take other appropriate action against such Third Party in the Territory (**"Enforcement Action"**). Distributor shall execute all necessary and proper documents, take such actions as shall be appropriate to allow Coherus to institute and prosecute such Enforcement Action and shall otherwise cooperate in the institution and prosecution of such actions (including without limitation consenting to being named as a nominal party thereto). Coherus may decide to appoint Distributor its attorney-in-fact for purposes of instituting the Enforcement Action. The costs and expenses of any such Enforcement Action (including without limitation fees of attorneys and other professionals) shall be borne by Coherus, subject to reimbursement under this **Section 7.3**. Any award paid by Third Parties as a result of such an Enforcement Action (whether by way of settlement or otherwise) shall be applied first to reimburse Coherus for all costs and expenses incurred by Coherus with respect to such action and, if after such reimbursement any funds shall

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remain from such award, they shall be allocated **[***]**. Notwithstanding the foregoing, if Coherus decides not to institute an Enforcement Action against such Third Party in the Territory, Distributor may decide, at its own expense and risk, to institute such an Enforcement Action provided Distributor has advised Coherus of such decision with no less than a **[***]** days prior written notice; *provided however* that Coherus shall have the right, at its own expense to participate in such defense and to be represented in any such action by counsel of its choice at its sole discretion; *provided further* that Distributor shall not enter into any settlement without the written consent of Coherus, which consent shall not be unreasonably withheld, conditioned or delayed. Coherus shall execute all necessary and proper documents, take such actions as shall be appropriate to allow Distributor to institute and prosecute such Enforcement Action and shall otherwise cooperate in the institution and prosecution of such actions (including without limitation consenting to being named as a nominal party thereto). Any award paid by Third Parties as a result of such an Enforcement Action (whether by way of settlement or otherwise) shall be applied first to reimburse Distributor for all costs and expenses incurred with respect to such Enforcement Action and, if after such reimbursement any funds shall remain from such award, they shall be allocated **[***]**.

8. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

8.1 Mutual Representations and Warranties. Each Party represents and warrants to the other, as of the Effective Date, as follows:

(a) such Party is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement;

(b) the execution and delivery of this Agreement and the performance by such Party of the transactions contemplated hereby have been duly authorized by all necessary corporate action and will not violate (i) such Party's certificate of incorporation or bylaws, (ii) any material agreement, instrument or contractual obligation to which such Party is bound, (iii) any material requirement of any Applicable Laws, or (iv) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such Party;

(c) this Agreement is a legal, valid and binding obligation of such Party enforceable against such Party in accordance with its terms and conditions;

(d) such Party is not under any obligation, contractual or otherwise, to any person or entity that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder;

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(e) to such Party's knowledge, all of its employees, officers, contractors, and consultants have executed agreements requiring assignment to such Party of all inventions made during the course of and as a result of their association with such Party and obligating each such employee, officer, contractor, and consultant to maintain as confidential the Confidential Information of such Party; and

(f) neither such Party, nor any of its employees, officers, subcontractors or consultants who have rendered or will render services relating to the Products: (i) has ever been debarred or is subject or debarment or convicted of a crime for which an entity or person could be debarred under 21 U.S.C. Section 335a or its foreign equivalent or (ii) has ever been under indictment for a crime for which a person or entity could be debarred under any such provision.

8.2 Additional Representations, Warranties, and Covenants of Coherus. Coherus hereby represents, warrants, and covenants to Distributor that:

(a) as of the Effective Date, Coherus is entitled to grant the rights and licenses granted to Distributor as set forth in this Agreement;

(b) Coherus has not granted in the Territory as of the Effective Date, and will not grant during the Term, any right or license in or to any of the Coherus Patent Rights in the Territory nor any right to otherwise Exploit the Products that is in conflict with the rights or licenses granted to Distributor under this Agreement;

(c) to the actual knowledge of Coherus it has not granted in the Territory as of the Effective Date, and will not knowingly grant during the Term, any right or license in or to any of the Coherus Know-How in the Territory that is in conflict with the rights or licenses granted to Distributor under this Agreement;

(d) Coherus has not granted as of the Effective Date any liens or security interests to the Coherus Know-How or Coherus Patent Rights other than under any licenses or sublicenses;

(e) all Coherus Know-How and Coherus Patent Rights existing as of the Effective Date are Controlled by Coherus;

(f) as of the Effective Date, Coherus has not received, with respect to the Coherus Know-How or Coherus Patent Rights, any written notice of infringement or misappropriation or any other written communication relating to an alleged infringement or misappropriation of any patent rights or any know-how Controlled by a Third Party;

(g) as of the Effective Date, all inventors named in the Coherus Patent Rights have assigned their entire right, title and interest in and to the inventions claimed in such Coherus Patent Rights to Coherus, and to the actual knowledge of Coherus, the inventors listed are correct;

(h) as of the Effective Date, Coherus has not received any claims or assertions in writing regarding the inventorship of the Coherus Patent Rights alleging that additional or alternative inventors ought to be listed; and

(i) [***].

8.3 Additional Representations, Warranties, and Covenants of Distributor. Distributor hereby represents, warrants, and covenants to Coherus that:

(a) in connection with the execution and performance of this Agreement, Distributor agrees to comply with all Applicable Laws, including without limitation, applicable anticorruption laws and regulations, including without limitation the U.S. Foreign Corrupt Practices Act (**"FCPA"**) Act, the anticorruption laws of the Territory and applicable laws dealing with bribery, extortion and kickbacks (collectively, such anticorruption laws and regulations, **"Applicable Anticorruption Laws"**);

(b) Distributor has not offered and will not offer, directly or indirectly, any illegal bribe, kickback or other improper or illegal payment to any person in connection with the this Agreement or any related agreement or activity;

(c) Distributor has not corruptly made, offered, paid, promised or authorized, and will not corruptly make, offer, pay, promise or authorize, the payment or gift of money or anything of value directly or indirectly to any "Public Official," as defined below, for the purpose of: (i) influencing any act or decision of the Public Official in his or her official capacity; (ii) inducing the Public Official to do an act in violation of a lawful duty; or (iii) inducing the Public Official to influence the act or decision of a government or government instrumentality, in order to assist Distributor or Coherus in obtaining or retaining business or securing any improper advantage, including any license, permit, government authorization or any decision related to Coherus or this Agreement. **"Public Official"** means: (i) any official, officer, employee or representative of (a) any federal, state, provincial, territory, county or municipal government or any department or agency thereof, (b) any public international organization or any department or agency thereof, or (c) any company or other entity owned or controlled by any government; (ii) any political party or party official; and (iii) any candidate for political office;

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(d) Distributor shall maintain, for a period of five (5) years after termination of this Agreement, records relating to its performance under this Agreement and to expenses incurred in connection with the Agreement, including payments to governments and Public Officials. Distributor shall provide Coherus (or its designated representative) access to records relating to this Agreement upon reasonable request. Coherus (or its designated representative) shall have the right upon reasonable prior notice, to conduct a review of Distributor's records to verify Distributor's compliance with the provisions of this **Section 8.3** and Applicable Anticorruption Laws. Distributor shall cooperate fully with such review, the scope, method, nature and duration of which shall be at the sole reasonable discretion of Coherus;

(e) Distributor shall execute the Certification of Anticorruption Compliance attached hereto as **Exhibit 8.3(e)** prior to performing services in connection with this Agreement and on an annual basis at the request of Coherus; and

(f) (i) Distributor is not a Public Official. (ii) no Public Official holds an ownership interest of any kind, in Distributor or in any contractual relationship related to the Agreement, (iii) Distributor is not held or controlled by or for the benefit of any Public Official, (iv) and Distributor will promptly notify Coherus in the event of a change in the foregoing.

8.4 Additional Covenant of the Parties. Each Party hereby covenants to the other Party that if, during the Term such Party has reason to believe that it or any of its employees, officers, subcontractors, or consultants rendering services relating to the Product: (a) is or will be debarred or convicted of a crime under 21 U.S.C. Section 335a or its foreign equivalent, or (b) is or will be under indictment under any such provision, then such Party shall immediately notify the other Party in writing;

8.5 Covenant Not to Challenge Patents. Distributor hereby covenants: (a) not to challenge the validity, scope, or enforceability of or otherwise oppose any Patent or Patent Application included in the Coherus Patent Rights or any foreign counterparts thereof; (b) that it shall include in all of its sublicense agreements the obligation binding on the Sublicensee under such sublicense agreement not to challenge the validity, scope, or enforceability of or otherwise oppose any such Patent or Patent Application; (c) that is shall include provisions in all sublicense agreements providing that, if the Sublicensee challenges the validity, scope, or enforceability of or otherwise opposes any such Patent or Patent Application, Distributor may terminate its sublicense agreement with such Sublicensee; and (d) if any such Sublicensee challenges the validity, scope, or enforceability of or otherwise opposes any such Patent or Patent Application, Distributor shall terminate such sublicense agreement, and such Sublicensee shall no longer have any rights under any such Patent or Patent Application. In the event that all or any portion of this **Section 8.5** is invalid, illegal, or unenforceable, then the Parties will use their best efforts to replace the invalid, illegal, or unenforceable provision(s) with valid, legal, and enforceable provision(s).

9. INDEMNIFICATION AND INSURANCE.

9.1 Coherus' Right to Indemnification. Distributor and Parent, jointly and severally, shall indemnify, defend, and hold harmless Coherus and its Affiliates, and their respective officers, directors, employees, agents, and their respective successors, heirs and assigns and representatives (the **"Coherus Indemnitees"**), from and against any and all damages, losses, suits, proceedings, liabilities, costs (including without limitation reasonable legal expenses, costs of litigation and reasonable attorney's fees), or judgments, whether for money or equitable relief, of any kind (**"Damages"**) resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of Distributor, its Affiliates, and/or its permitted Sublicensees and its or their respective directors, officers, employees, and agents, in connection with Distributor's performance of its obligations or exercise of its rights under this Agreement; (b) any breach by Distributor of any obligation, representation, warranty, or covenant in this Agreement; (c) the Commercialization, transfer, importation or exportation, labeling, handling or storage, or use of, or exposure to, any Product by Distributor, its Affiliates or permitted Sublicensees, agents and contractors in breach of this Agreement or the Related Agreements, in the Territory; and (d) the failure to comply with Applicable Law by Distributor, or any of its Affiliates, permitted Sublicensees, agents, or subcontractors; except in any such case for Damages to the extent reasonably attributable to any Coherus Indemnitee (i) having committed an act or acts of negligence, recklessness, or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which Coherus is found to have an indemnity obligation under **Section 9.2 (Distributor's Right to Indemnification)**.

9.2 Distributor's Right to Indemnification. Coherus shall indemnify, defend, and hold harmless Distributor and its Affiliates, and their respective officers, directors, employees, agents, licensors, and their respective successors, heirs and assigns and representatives (the **"Distributor Indemnitees"**), from and against any and all Damages resulting from Third Party claims or actions, to the extent arising out of or relating to, directly or indirectly: (a) the negligence, recklessness, or wrongful intentional acts or omissions of Coherus and its Affiliates and its or their respective directors, officers, employees, and agents, in connection with Coherus' performance of its obligations or exercise of its rights under this Agreement; (b) any breach by Coherus of any obligation, representation, warranty, or covenant set forth in this Agreement; (c) the development, commercialization, transfer, importation or exportation, Manufacture, labeling, handling or storage, or use of, or exposure to, any Product by Coherus or any of its Affiliates, Sublicensees, agents, and contractors; and (d) the failure to comply with Applicable Laws by Coherus, or any of its Affiliates, agents, or subcontractors; except in any such case for Damages to the extent reasonably attributable to any Distributor Indemnitee (i) having committed an act or acts of negligence, recklessness or willful misconduct; (ii) having failed to materially comply with Applicable Laws; (iii) having materially breached this Agreement; or (iv) to the extent such Damages result from or arise out of any act or omission for which Distributor is found to have an indemnity obligation under **Section 9.1 (Coherus' Right to Indemnification)**.

9.3 Process for Indemnification. A claim to which indemnification applies under **Section 9.1 (Coherus' Right to Indemnification)** or **Section 9.2 (Distributor's Right to Indemnification)** shall be referred to herein as an **"Indemnification Claim"**. If a Party (collectively, the **"Indemnitee"**) intends to claim indemnification under **Section 9.1** or **Section 9.2**, the Indemnitee shall notify the other Party (the **"Indemnitor"**) in writing promptly upon becoming aware of any claim that may be an Indemnification Claim (it being understood and agreed, however, that the failure by an Indemnitee to give such notice shall not relieve the Indemnitor of its indemnification obligation under this Agreement except and only to the extent that the Indemnitor is actually prejudiced as a result of such failure to give notice). The Indemnitor shall have the right to assume and control the defense of the Indemnification Claim at its own expense with counsel selected by the Indemnitor and reasonably acceptable to the Indemnitee; *provided*, *however*, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitee, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between such Indemnitee and any other party represented by such counsel in such proceedings. If the Indemnitor does not assume the defense of the Indemnification Claim as described in this **Section 9.3** above, the Indemnitee may defend the Indemnification Claim but shall have no obligation to do so. The Indemnitee shall not settle or compromise the Indemnification Claim without the prior written consent of the Indemnitor, and the Indemnitor shall not settle or compromise the Indemnification Claim in any manner that would have an adverse effect on the Indemnitee's interests, without the prior written consent of the Indemnitee, which consent, in each case, shall not be unreasonably withheld, delayed, or conditioned. The Indemnitee shall reasonably cooperate with the Indemnitor at the Indemnitor's expense and shall make available to the Indemnitor all pertinent information under the control of the Indemnitee, which information shall be subject to **Article 10 (CONFIDENTIALITY)**.

9.4 Insurance. During the Term and for **[***]** thereafter, each Party shall maintain, at its sole expense, such types and amounts of insurance coverage as is appropriate and customary in the biopharmaceutical industry in light of the nature of the activities to be performed by such Party hereunder. **[***]**. Each Party will provide proof of such product liability insurance to the other Party as reasonably requested.

10. CONFIDENTIALITY.

10.1 Confidentiality; Exceptions. Except to the extent expressly authorized by this **Article 10** or otherwise agreed in writing, each Party hereby agrees that, during the Term and for ten (10) years thereafter, it shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as explicitly provided for in this Agreement any confidential and proprietary information or materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party or otherwise received or accessed by a Party in connection with or relating to this Agreement (including discussions and negotiations related thereto occurring prior to the Effective Date), including, but not limited to, any trade secrets, know-how, Product specifications, formulae, processes, techniques and information relating to a Party's past, present and future marketing,

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financial, and research and development activities for any product of the other Party and the pricing thereof (collectively, **"Confidential Information"**). Notwithstanding the foregoing, any Confidential Information that constitutes a trade secret shall not be subject to such ten (10) year term, but shall continue to be subject to the obligations of confidentiality and non-use set forth in this Agreement for as long as such Confidential Information remains a trade secret under New York law (including New York's version of the Uniform Trade Secrets Act if and when adopted). The terms and conditions of this Agreement shall be deemed to be Confidential Information of each Party. Notwithstanding the foregoing, Confidential Information shall not include that portion of Information or materials that a Party can demonstrate by contemporaneous written records:

(a) is already lawfully known to such Party, other than under an obligation of confidentiality at the time of disclosure by the other Party as evidenced by written records kept in the ordinary course of business, or other documentary proof of actual use by such Party;

(b) is generally available to the public or otherwise part of the public domain at the time of its disclosure to such Party;

(c) becomes generally available to the public or otherwise part of the public domain after its disclosure to such Party and other than through any act or omission of such Party or its Affiliates in violation of this Agreement;

(d) is independently developed by such Party as demonstrated by documented evidence prepared contemporaneously with such independent development; or

(e) is lawfully disclosed to such Party, other than under an obligation of confidentiality, by a Third Party who had no obligation not to disclose such information to others.

10.2 Degree of Care; Permitted Use. Each Party shall take reasonable steps to maintain the confidentiality of the Confidential Information of the other Party, which steps shall be no less protective than those steps that such Party takes to protect its own Information and materials of a similar nature, but in no event less than a reasonable degree of care. Neither Party shall use or permit the use of any Confidential Information of the other Party except for the purposes of carrying out its obligations or exercising its rights under this Agreement, and neither Party shall copy any Confidential Information of the other Party except as may be reasonably useful or necessary for such purposes. All Confidential Information of a Party, including without limitation all copies and derivations thereof, is and shall remain the sole and exclusive property of the disclosing Party and subject to the restrictions provided for herein. Neither Party shall disclose any Confidential Information of the other Party other than to **[***]**. Neither Party shall (a)

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

reverse engineer, disassemble, decompile or determine the composition of any formulations, prototypes, software or other tangible objects that embody the other Party's Confidential Information; or (b) file any patent application containing any claim, the subject matter of which is based upon or derived from Confidential Information of the other Party.

10.3 Authorized Disclosure. Notwithstanding **Section 10.1 (Confidentiality; Exceptions)** and **Section 10.2 (Degree of Care; Permitted Use)**, each Party may disclose Confidential Information of other Party:

(a) in its publicly-filed financial statements or other public statements pursuant to Applicable Laws, regulations, and stock exchange rules or otherwise disclosed pursuant to Applicable Law; provided, that (i) the terms of this Agreement shall be redacted to the greatest extent reasonably possible, and (ii) such Party shall provide the other Party with a copy of the proposed text of such statements or disclosure (including without limitation any exhibits containing this Agreement) sufficiently in advance of the scheduled release or publication thereof to afford such other Party a reasonable opportunity to review and comment upon the proposed text (including without limitation redacted versions of this Agreement);

(b) to the extent it is required to be disclosed in response to a valid order by a court or other governmental body and provided that **[***]**;

(c) to the extent it is required to be disclosed in connection with any legal or regulatory requirements or obligations, including without limitation SEC filings or Regulatory Filings, provided that **[***]**;

(d) to Regulatory Authorities to facilitate the issuance of Regulatory Approvals for a Product; provided that reasonable measures shall be taken to assure confidential treatment of such Confidential Information;

(e) to the extent such disclosure is reasonably necessary in **[***]**; and/or

(f) to Third Parties in connection with such Party's efforts to secure financing or enter into strategic partnerships, provided **[***]**.

In addition, Coherus may disclose Confidential Information of Distributor to a client, to a government or government agency and to anyone determined by Coherus' General Counsel to have a legitimate need to know, without notice to Distributor, relating to a possible violation of Applicable Anticorruption Laws or the existence of the terms of this Agreement, including the compensation provisions.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

10.4 Publications. Distributor shall not propose a publication or presentation to a Third Party that includes Confidential Information relating to a Product in the Field in the Territory, or which otherwise includes Confidential Information of Coherus without the prior written consent of Coherus, not to be unreasonably withheld, conditioned or delayed.

10.5 Publicity; Press Release. The Parties agree that any public announcement of the execution of this Agreement shall be substantially in the form attached as **Exhibit 10.5** and shall cooperate in the issuance thereof as soon as practicable after the execution of this Agreement unless agreed otherwise. In addition, the Parties recognize that any of them may from time to time desire to issue additional press releases and make other public statements or disclosures regarding Commercialization of the Products in the Territory. Each Party shall use reasonable efforts to provide the other Party with an opportunity to review and comment on any such disclosures and shall consider such comments in good faith. Notwithstanding anything else in this **Article 10**, any disclosure which is required by law or the rules of a securities exchange, or as advised by the disclosing Party's counsel, may be made without the prior consent or review of the other Party. Except as set forth herein, neither of the Parties shall issue press releases or make other public statements or disclosures regarding Commercialization of the Products in the Territory without **[***]**.

10.6 Irreparable Injury. The Parties acknowledge that either Party's breach of this **Article 10** would cause the other Party irreparable injury for which it would not have an adequate remedy at law. In the event of a breach, the nonbreaching Party may seek injunctive relief, whether preliminary or permanent, in addition to any other remedies it may have at law or in equity, without necessity of posting a bond.

11. TERM AND TERMINATION.

11.1 Term.

(a) The term of this Agreement shall commence on the Effective Date and, unless sooner terminated or extended as specifically provided in this **Article 11**, shall continue in effect on a Product-by-Product and country-by-country basis until the tenth (10th) anniversary of the receipt of Regulatory Approval for the applicable Product in each country in the Territory (as the same may be extended pursuant to **Section 11.1(b),** the **"Term"**).

(b) If this Agreement has not been earlier terminated, then the Term shall be automatically extended for additional three (3) year periods (the **"Renewal Period(s)"**) on a Product-by-Product and country-by-country basis, unless Distributor provides written notice at last eighteen (18) months in advance of the then-expiration of the Term of its desire not to renew this Agreement with respect to such Product and/or country.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

11.2 Termination by Coherus. In addition to the termination rights set forth in **Section 11.3 (Termination for Material Breach)**, Coherus shall have the right to terminate this Agreement in its entirety, at any time, immediately upon written notice to Distributor in the event that (a) Distributor or any of its Affiliates or Sublicensees challenges in a court of competent jurisdiction, the validity, scope or enforceability of, or otherwise opposes, any Patent included in the Coherus Patent Rights; (b) Distributor has breached any provision of **Section 8.3(a) through (f)** or Distributor has violated any Applicable Anticorruption Law; or (c) Distributor has breached **Section 3.4** or **Section 5.4**.

11.3 Termination for Material Breach. If either Party believes the other Party is in material breach of this Agreement or breach of any payment obligation hereunder, it may give notice of such breach to the other Party, which other Party shall have sixty (60) days in which to remedy any such breach, *provided* however that if the breach (excluding breach of payment obligations) cannot be reasonably cured within such time period, the breaching Party shall not be in breach or default of this Agreement, if such breaching Party commences to cure the breach within such period of time and in good faith continues to cure the breach, but in no event shall such time period for cure be extended beyond one hundred and eighty (180) days. If such alleged material breach is not remedied in the time period set forth above (or an applicable extension if the breaching Party has commenced to and continues to cure the breach as provided above), the non-breaching Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement with respect to the country and/or Product as to which such material breach relates, upon written notice to the other Party. If any alleged payment breach is not remedied in the sixty (60)-day period set forth above, including accrued interest due thereon pursuant to this Agreement, the non-breaching Party shall be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it by law or in equity, to terminate this Agreement in its entirety upon written notice to the other Party; *provided* such payment breach exceeds **[***]** Dollars. In the event of a dispute regarding any payments due and owing hereunder, all undisputed amounts shall be paid when due, and the balance, if any, shall be paid promptly after settlement of the dispute, including without limitation any accrued interest thereon. Coherus is not obligated to receive partial payments and if it does so it shall not be deemed a waiver of any aggregate amount due (principal and interest).

11.4 Termination upon Insolvency. To the extent permitted under Applicable Law, either Party may terminate this Agreement in its entirety if, at any time, the other Party or its Parent (a) files in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such other Party or its Parent or of their respective assets, (b) proposes a written agreement of composition or extension of its debts, (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within forty-five (45) days after the filing thereof, (d) proposes or is a party to any dissolution or liquidation, or (e) makes an assignment for the benefit of its creditors.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

11.5 Termination for Convenience: Distributor may terminate this Agreement for convenience on a Product-by-Product basis at any time by giving Coherus twelve (12) months' prior written notice of such termination specifying the applicable Product(s) and without such early termination giving rise to any compensation in favor of Coherus, other than obligations that have accrued prior to the effective date of termination (including without limitation, payment for Manufacturing Costs associated with Product delivered, or subject to Distributor's firm order(s), prior to such effective date).

11.6 Consequences of Termination.

(a) Consequences of Termination. Upon early termination of this Agreement pursuant to **Section 11.2 (Termination by Coherus)**, **Section 11.3 (Termination for Material Breach)** (either in its entirety or with respect to the applicable Product in the applicable country, as the case may be), **Section 11.4 (Termination upon Insolvency)**, or **Section 11.5 (Termination for Convenience)** (either in its entirety or with respect to the applicable Product in the applicable country, as the case may be**)** or upon termination by Coherus pursuant **Section 3.7 (Pharmacovigilance)** (solely with respect to the applicable Product in the applicable country):

(i) the licenses granted to Distributor pursuant to **Section 2.1 (License Grants)** shall terminate, except as otherwise necessary to conduct the activities expressly set forth in **Section 11.6(a)(iii)**;

(ii) Distributor shall return to Coherus within three (3) months of the effective date of such termination any and all Coherus Know-How or Confidential Information of Coherus transferred to Distributor under this Agreement;

(iii) promptly after the effective date of such termination, Distributor shall commence winding down its Commercialization activities for all Products, and shall use best efforts to complete any and all such Commercialization activities within thirty (30) days after the effective date of such termination;

(iv) Distributor shall assign to Coherus or Coherus' designee its entire right in all Regulatory Filings and Regulatory Approvals relating to any and all Products, and shall provide assistance to Coherus or its designee to become the holder of such Regulatory Approvals;

(v) In the event of early termination of this Agreement by Coherus pursuant to **Section 11.2 (Termination by Coherus)**, **Section 11.3 (Termination for Material Breach**) with respect to a breach by Distributor, or **Section 11.4 (Termination upon Insolvency of Distributor)**, for a period of two (2) years after the effective date of termination, Distributor shall not commercialize any product intended as a biosimilar (or biobetter) of the same innovator product to which the Products affected by such termination are biosimilars;

(vi) in the event of early termination of this Agreement by Distributor pursuant to **Section 11.5 (Termination for Convenience)**, for a period of one (1) year after the effective date of termination, Distributor shall not commercialize any product intended as a biosimilar (or biobetter) of the same innovator product to which the Products affected by such termination are biosimilars;

(vii) Upon the request of Coherus, Distributor shall transfer to Coherus all Finished Product and/or Product then in its possession (or to which it has access) and Coherus shall pay for such Finished Product and/or Product at Manufacturing Costs plus any applicable national costs previously incurred; and

(viii) In the event of early termination of this Agreement by Coherus pursuant to **Section 11.2 (Termination by Coherus)** , **Section 11.3 (Termination for Material Breach**) with respect to a breach by Distributor, **Section 11.4 (Termination upon Insolvency of Distributor)**, or **Section 11.5 (Termination for Convenience)**, Distributor shall promptly notify Coherus of any and all agreements between Distributor (and/or its Affiliates or permitted Sublicensees) and Third Parties with respect to the conduct of Commercialization activities for any and all Products terminated. At Coherus' request, which request shall be made within three (3) months after the termination of this Agreement, Distributor shall utilize Commercially Reasonable Efforts to assign (or cause its Affiliates and permitted Sublicensees to assign) to Coherus, and Coherus shall have the right, but not the obligation, to assume, any and all agreements between Distributor (and/or its Affiliates or permitted Sublicensees) and Third Parties with respect to the conduct of Commercialization activities for any and all Products**.**

(b) Termination of this Agreement for any reason shall not (i) release any Party from any obligation that has accrued prior to the effective date of termination (including without limitation the obligation to pay amounts accrued and due under this Agreement prior to the effective date of termination but that are unpaid or become payable thereafter (including without limitation any payments then accrued because the event has occurred but the payment is not yet due)), (ii) preclude any Party from claiming any other damages, compensation, or relief that it may be entitled to under this Agreement upon such termination, or (iii) terminate any right to obtain performance of any obligation provided for in this Agreement that shall survive termination

11.7 General Surviving Obligations. The rights and obligations set forth in this Agreement shall extend beyond the termination of this Agreement only to the extent expressly provided for herein, or to the extent that the survival of such rights or obligations are necessary to permit their complete fulfillment or discharge. In the event of termination of this Agreement for any reason, the following provisions shall survive in addition to others specified in this Agreement to survive in such event: **Section 3.5 (Records)** (to the extent required by Applicable Law), **8.3(d)**, **8.5 (Covenant Not to Challenge Patents)**, **Section 11.6 (Consequences of Termination)** (as applicable), this **Section 11.7**, **Article 1 (DEFINITIONS)**, **Article 6 (PAYMENT OBLIGATIONS)**, **Article 9 (INDEMNIFICATION AND INSURANCE)**, **Article 10 (CONFIDENTIALITY)** (for the period set forth in **Section 10.1 (Confidentiality; Exceptions)**), **Article 12 (LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTY)**, **Article 13 (DISPUTE RESOLUTION)**, and **Article 14 (MISCELLANEOUS)**.

12. LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTY.

12.1 LIMITATION OF LIABILITY. EXCEPT IN THE CASE OF A BREACH OF **ARTICLE 10 (**CONFIDENTIALITY**)**, AND WITHOUT LIMITING THE PARTIES' OBLIGATIONS UNDER **ARTICLE 9 (**INDEMNIFICATION AND **INSURANCE)**, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION DAMAGES RESULTING FROM LOSS OF USE, LOSS OF PROFITS, INTERRUPTION OR LOSS OF BUSINESS, OR OTHER ECONOMIC LOSS) ARISING OUT OF THIS AGREEMENT OR WITH RESPECT TO A PARTY'S PERFORMANCE OR NON-PERFORMANCE HEREUNDER.

12.2 DISCLAIMER OF WARRANTY. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY PROVIDES ANY WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, REGARDING THE PRODUCTS FOR COMMERCIAL USE, AND EACH PARTY HEREBY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESS AND IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND FREEDOM FROM INFRINGEMENT OF THIRD PARTY RIGHTS.

13. DISPUTE RESOLUTION.

13.1 Exclusive Dispute Resolution Mechanism. In the event that the Parties cannot reach agreement on a matter arising out of or in connection with this Agreement and any Related Agreement (including without limitation matters relating to any Party's rights and/or obligations hereunder and/or regarding the construction, interpretation, and enforceability of such agreements), the procedures set forth in this **Article 13** shall be the exclusive mechanism for resolving any dispute, controversy, or claim in connection with this Agreement, the construction hereof, or the rights, duties or liabilities of either Party under this Agreement (collectively, **"Disputes"**) between the Parties that may arise from time to time that cannot be resolved through good faith negotiation between the Parties, except as set forth in **Section 13.4 (Preliminary Injunctions)** and/or **Section 13.5 (Patent Disputes)** or unless otherwise set forth herein.

13.2 Resolution by Executive Officers. Except as otherwise provided in this Agreement, in the event of any Dispute, the Parties shall first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves. **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

13.3 Arbitration.

(a) Except as set forth in **Section 13.4 (Preliminary Injunctions)** and/or **Section 13.5 (Patent Disputes),** or unless otherwise set forth herein, any Dispute that is not resolved pursuant to **Section 13.2 (Resolution by Executive Officers)** shall be exclusively and finally resolved by binding arbitration pursuant to this **Section 13.3**.

(b) Any such arbitration shall be **[***]**.

(c) Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on a single neutral arbitrator with relevant industry experience to conduct such arbitration. If the Parties do not agree on a single neutral arbitrator within ten (10) days after receipt of an arbitration notice, **[***]**.

(d) The decision or award of the arbitrator(s) shall be final, binding, and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The arbitrator(s) shall, **[***]**.

13.4 Preliminary Injunctions. Notwithstanding anything in this Agreement to the contrary, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction as provided in **Section 14.13 (Governing Law; Jurisdiction)** in order to prevent immediate and irreparable injury, loss, or damage **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

13.5 Patent Disputes. Notwithstanding anything in this Agreement to the contrary, any and all issues regarding the scope, construction, validity, and enforceability of any Patent or Patent Application in a country within the Territory shall be determined in a court or other governmental authority of competent jurisdiction under the applicable patent laws of such country, as provided in **Section 14.13 (Governing Law; Jurisdiction)**.

13.6 Confidentiality. All proceedings and decisions of the arbitrator(s) shall be deemed to be Confidential Information of each of the Parties, and shall be subject to **Article 10 (CONFIDENTIALITY)**.

14. MISCELLANEOUS.

14.1 Agency. Neither Party is, nor shall be deemed to be, an employee, agent, co-venturer, or legal representative of the other Party for any purpose. Neither Party shall be entitled to enter into any contracts in the name of, or on behalf of the other Party, nor shall either Party be entitled to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

14.2 Performance by Affiliates. The Parties recognize that each Party may perform some or all of its obligations under this Agreement through Affiliates or assign this Agreement in its entirety to a single Affiliate, by giving six (6) months' prior written notice of such assignment to the other Party in which event no consent by such other Party shall be necessary; *provided*, *however*, that each Party shall remain responsible for the performance of its Affiliates and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance.

14.3 Assignment. Except as otherwise provided in this Agreement, Distributor shall **[***]**. Coherus shall have the right to assign this Agreement or any obligation of Coherus hereunder without the prior written consent of Distributor. This Agreement shall be binding upon and inure to the successors and permitted assignees of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this **Section 14.3** shall be void. Notwithstanding anything to the contrary in this Agreement, in the event of any such assignment, the intellectual property rights of the acquiring party (if other than one of the Parties to this Agreement) shall not be included in the intellectual property rights licensed to the other Party hereunder to the extent held by such acquirer prior to such transaction, or to the extent such intellectual property rights are developed outside the scope of activities conducted hereunder with respect to Products.

14.4 Further Actions. Each Party agrees to execute, acknowledge, and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

14.5 Non-Solicitation. While Distributor is performing Commercialization activities under this Agreement and for a period of two (2) years thereafter, neither Party shall, without the express written consent of the other Party, recruit, solicit, or induce any employee of the other Party who has performed activities under this Agreement to terminate his or her employment with such other Party. The foregoing provision shall not, however, restrict either Party or its Affiliates from advertising employment opportunities in any manner that does not directly target the other Party or its Affiliates or from hiring any persons who respond to such generalized public advertisements.

14.6 Force Majeure. Neither Party shall be liable to the other for failure or delay in the performance of any of its obligations under this Agreement (other than payment obligations) for the time and to the extent such failure or delay is caused by epidemic, earthquake, riot, civil commotion, rebellion, insurrection, invasion, fire, acts of God, war, terrorist acts, strike, storm, flood, or governmental acts or restriction, or other cause that is beyond the reasonable control of the respective Party. The Party affected by such force majeure shall provide the other Party with all information relating thereto (including without limitation its best estimate of the likely extent and duration of the interference with its activities) as soon as reasonably and practically possible after its occurrence, and shall use commercially reasonable efforts to overcome the difficulties created thereby and to resume performance of its obligations as soon as practicable. In such event, the Parties shall meet promptly to determine an equitable solution to the effects of any such event, including without limitation the possibility of the termination of this Agreement pursuant to **Section 11.3 (Termination for Material Breach)**. For the avoidance of doubt,, nothing in this **Section 14.6** shall excuse or suspend the obligation to make any payment due hereunder in the manner and at the time provided.

14.7 Unforeseeability; Change in Circumstances.

(a) Distributor expressly and irrevocably waives its respective rights to invoke (a) the doctrine of unforeseeability, or excessive burden, or change in the circumstances borne in mind at the time of executing this Agreement and/or (b) any other right Distributor may deem applicable, to excuse its obligations to pay and comply with all obligations arising hereunder in any other currency other than Dollars which is hereby specified as an essential condition for payment. The waiver provided in this **Section 14.7 (a)** has been given after due regard to the present circumstances including without limitation **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Notwithstanding the foregoing, if due to **[***]** in a country within the Territory beyond Distributor's control or which Distributor **[***]**, Distributor believes its payment or other obligations may be **[***]** imposed by local, state, national, municipal or international authorities applicable to such country (on a country-by-country basis, **"[***]**"), then: (i) If one or more **[***]** in such country **[***]** event/in such country by more than **[***]** during **[***]** or by more than **[***]** for **[***]** **(**on a country-by-country basis, **"[***]"**), and Distributor, its Affiliates or permitted Sublicensees are prevented by Applicable Laws or market conditions from increasing the in-market prices of the Product in such country to a level such that would avoid the **[***]**, then the Parties shall meet and shall **[***]**, in a manner that may be mutually acceptable to contemplate **[***]** so long as (A) Coherus at all times **[***]** for Products with respect to which Distributor has provided **[***]** to Coherus and (B) should any **[***]**, Distributor shall **[***]** Commercialization in such country and (C) the **[***]** pursuant to **[***]**); (ii) if Coherus agrees to any such **[***]** pursuant to subsection (i), Distributor (itself or through its Affiliates and permitted Sublicensees) shall use **[***]** to **[***]** in such country were for the prior **[***]** to the occurrence of the **[***]** until subsection (iii) occurs; and (iii) when the conditions for an **[***]** implemented through this **Section 14.7(b)** as a result of those conditions will automatically be canceled as of the date the relevant conditions no longer apply.

14.8 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (a) if delivered personally or by facsimile transmission (receipt verified), or (b) three (3) days after sent by internationally recognized overnight express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

If to Distributor, addressed to:

Orox Pharmaceuticals B.V.
Schottegatweg Oost 10, unit 1A1
Curaçao
Attn: Managing Director
Fax: **[***]**

With copy to:

[***]

If to Coherus, addressed to:

Coherus BioSciences, Inc.
201 Redwood Shores Parkway, Suite 200
Redwood City, CA, USA 94065
Attn: Dennis M. Lanfear
Fax: +1-866-491-7350

With copies to:

Coherus BioSciences, Inc.
Attn: Vice President, Legal Affairs
Fax: +1-866-491-7350

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94062
Attn: Alan C. Mendelson
Fax: +1-650-463-2600

Latham & Watkins LLP
12636 High Bluff Drive, Suite 400
San Diego, CA 92130
Attn: Faye H. Russell
Fax: +1-858-523-5450

14.9 Amendment. No amendment, modification, or supplement of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized officer of each Party.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

14.10 Waiver. The waiver by either Party of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

14.11 Counterparts; Electronic Delivery. This Agreement may be executed simultaneously in two counterparts, either one of which need not contain the signature of more than one Party but both such counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by facsimile, by email in "portable document format" (".pdf"), or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Agreement shall have the same effect as physical delivery of the paper document bearing original signature.

14.12 Construction. The descriptive headings of this Agreement are for convenience only, and shall be of no force or effect in construing or interpreting any of the provisions of this Agreement. Except where the context otherwise requires, wherever used the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party.

14.13 Governing Law; Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of New York, U.S.A., without regard to its or any other jurisdiction's choice of law rules. **[***]**.

14.14 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Laws, but, if any provision of this Agreement is held to be prohibited by or invalid under Applicable Laws, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. In the event of such invalidity, the Parties shall seek to agree on an alternative enforceable provision that preserves the original purpose of this Agreement.

14.15 Compliance with Applicable Laws. Each Party will comply with all Applicable Laws in performing its obligations and exercising its rights hereunder. Nothing in this Agreement shall be deemed to permit Distributor to export, re-export, or otherwise transfer any Information transferred hereunder or Product(s) without complying with Applicable Laws.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

14.16 Entire Agreement of the Parties. This Agreement, including the exhibits attached hereto, constitutes and contains the complete, final and exclusive understanding and agreement of the Parties, and cancels and supersedes any and all prior or contemporaneous negotiations, correspondence, understandings, and agreements, whether oral or written, between the Parties respecting the subject matter hereof, and neither Party shall be liable or bound to the other Party with respect to the subject matter of this Agreement in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the Parties and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement. To the extent that anything set forth in an exhibit attached hereto conflicts with the terms of this Agreement, the terms of this Agreement shall prevail.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives as set forth below:

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: Chief Executive Officer

OROX PHARMACEUTICALS B.V.

By: /s/ M. Clarinda
Name: M. Clarinda
Title: ATC Corporate Services (Curacao) N.V.
Managing Director

EXHIBIT 1.11

COHERUS PATENT RIGHTS

See Attached

EXHIBIT 1.48

PRODUCTS

CHS-0214: Coherus' biosimilar version of Enbrel® (etanercept)

CHS-4028: Coherus' biosimilar version of Rituxan® Mabthera™ (rituximab)

CHS-1420: Coherus' biosimilar version of Humira® (adalimumab)

CHS-1701: Coherus' biosimilar version of Neulasta® (pegfilgrastim)

EXHIBIT 1.58

TERRITORY

[***]

Major Market Countries shall mean: **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 3.3(b)

DILIGENCE REQUIREMENTS

COHERUS DILIGENCE OBLIGATIONS

Coherus shall use Commercially Reasonable Efforts to file for regulatory approval of Products in the United States, Europe or Japan as follows:

CHS-0214: **[***]**

CHS-4028: **[***]**

CHS-1420: **[***]**

CHS-1701: **[***]**

DISTRIBUTOR DILIGENCE OBLIGATIONS

For each Product in a country in the Territory, Commercialization activities are initiated, including without limitation, if applicable, stocking of channel in such country, sales and marketing activities and contracting activities, no later than **[***]** following receipt of the applicable Regulatory Approval in such country.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 4.1

COMMERCIAL SUPPLY KEY PROVISIONS

- Coherus, either directly or through its designee, shall be responsible for the Manufacture and supply of Products to Distributor or its designated Affiliate or permitted Sublicensee for Commercialization in the Territory.
- Coherus will use **[***]** to supply all of Distributor's, its Affiliates' and permitted Sublicensees' requirements for each Product in the Territory. **[***]**.
- Product shall be supplied as Finished Product, **[***]**. Coherus shall convey to Distributor good title to the Products, free of any security interest, lien or encumbrance.
- Coherus will supply Finished Product (**[***]**) to Distributor from **[***]** by the appropriate regulatory authorities to provide such Finished Product **[***]**. With respect to **[***]**, Coherus will supply **[***]** to Distributor from the **[***]** by the appropriate regulatory authorities to provide **[***]** to the **[***]**.
- Coherus (or Affiliate) shall own and be responsible for all necessary manufacturing approvals for the commercial Manufacture of the Finished Product. Distributor to be responsible for filing for and maintaining all other necessary Regulatory Approvals and other approvals needed to Commercialize Finished Product in the Territory. Coherus shall **[***]**.
- Coherus (or Affiliate) shall supply Distributor with Finished Product that is manufactured in accordance with and conforms to **[***]**. Finished Product supplied to Distributor shall comply with cGMP in force in the country of Finished Product's manufacture and shall also comply with the Regulatory Approvals. Finished Product to be provided **[***]**. Product packaging to conform to written standards that are to be agreed by the Parties.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- **[***]**.
- Distributor shall submit in writing to Coherus firm purchase orders **[***]**. Distributor shall be responsible for paying Coherus for any firm purchase orders accepted by Coherus. Any binding commitment shall be modified to account for short supply and Force Majeure should these conditions exist.
- To the extent required to account for market demand fluctuations, Distributor may request Coherus to deliver up to **[***]** of the amount of each Product and Product samples presentations as specified in the binding forecast. Distributor shall be bound to place an order and purchase at least **[***]** of the quantity of each product and Product samples included in the binding forecast.
- Additional detailed forecasting, ordering and delivery provisions to be negotiated in good faith between the Parties, having regard to reasonable adjustments in respect of delivery problems arising from external causes, and to be fully set out in Manufacturing and Supply Agreement, and to be consistent with any such terms contained in Coherus' commercial supply agreement(s) with any Third Party and where Coherus, its Affiliate or sublicensee is the party being supplied.
- The Parties shall establish a supply process to deal with matters arising between the Parties over supply issues. The process will address developments relating to forecasting, commercial and regulatory issues, scheduling and supply and other topics.
- In the event that Coherus is unable for any reason to Manufacture sufficient quantities of the Product ordered by Distributor, Coherus shall **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- Distributor shall **[***]**. Coherus shall **[***]**. With regard to proposed changes to the Manufacturing Testing or controls documentation, Coherus shall **[***]** (if such approval is required)] and shall inform Distributor of **[***]**.
- Coherus will provide Distributor or its Affiliates or permitted Sublicensees with **[***]**.
- Distributor shall maintain in a suitable warehouse for the Territory properly rotated stock of Products and the proper storage and security conditions and, after delivery by Coherus, shall maintain the Products under equally appropriate conditions while under transit to Distributor's customers, and in compliance with any instructions Coherus may supply to Distributor in writing, including without limitation, necessary temperature requirements, all at Distributor's costs. Distributor shall maintain an efficient system of stock control and, where mandatory, tracking so as to permit Coherus to monitor elements of the Commercialization process.
- Distributor shall maintain agreed upon levels of safety stock through agreed order and forecast procedures. If requested by Distributor, Coherus and Distributor shall discuss **[***]**.
- Release and rejection provisions shall be agreed upon (e.g., defects and latent defects) reasonably acceptable to the Parties, with Coherus (or Affiliate) to have a specified time **[***]**.
- All remedies for failures, delays or defects in supply including defects in the Product shall be negotiated in good faith by the Parties and specifically set out in the Manufacturing and Supply Agreement, to the exclusion of any other remedy.

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- Distributor shall be responsible for coordinating any Product recall in the Territory and for ensuring that recalls are conducted in a commercially reasonable manner. Costs of recall shall be borne by **[***]**.
- Coherus (or Affiliate) shall be responsible for Manufacturing the Product to meet Finished Product specifications and in compliance with cGMP and other Applicable Law. Distributor shall be responsible for marketing and promotion.
- Delivery of Finished Product may be suspended for lack of payment.
- Representations, warranties and indemnification provisions shall correspond to the Parties' responsibilities under the Manufacturing and Supply Agreement as it is in industry practice and consistent with **Section 9 (Indemnification and Insurance)** of the Agreement.
- Term of the Manufacturing and Supply Agreement will be the Term of the Distribution Agreement.

If the Parties are unable to agree on any "mutually agreed terms" or on terms to be "agreed in good faith" as set forth in this **Exhibit 4.1**, **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 6.2

EXAMPLE OF QUARTERLY REPORT

See Attached

Exhibit 8.3(e)

CERTIFICATION OF ANTICORRUPTION COMPLIANCE

I, *[INDIVIDUAL]*, an authorized representative of Orox Pharmaceuticals B.V. (**"Distributor"**), certify that in connection with and further to the "Distribution Agreement" with "Coherus" dated December 26, 2012:

1. Distributor has, and I personally have, complied and will comply with all applicable anticorruption laws, including the U.S. Foreign Corrupt Practices Act and all applicable laws governing the giving or receiving of gifts or hospitality to "Public Officials."[1]

2. Distributor has not, and I personally have not, offered and will not offer, directly or indirectly, any illegal bribe, kickback or other improper or illegal payment to any person in connection with the Agreement or any related agreement or activity.

3. Distributor has not, and I personally have not, corruptly made, offered, paid, promised or authorized, and will not corruptly make, offer, pay, promise or authorize, the payment or gift of money or anything of value directly or indirectly to any "Public Official" for the purpose of: (i) influencing any act or decision of the Public Official in his or her official capacity; (ii) inducing the Public Official to do an act in violation of a lawful duty; or (iii) inducing the Public Official to influence the act or decision of a government or government instrumentality, in order to assist Coherus or Distributor in obtaining or retaining business or securing any improper advantage, including any license, permit, government authorization or any decision related to the Agreement.

4. I am not aware of any other individual or company making, offering, paying promising or authorizing any payment or gift prohibited by Provision 3 or 4 on behalf of Coherus or Distributor.

5. I am not a Public Official.

6. **Section 8.3(f)** of the Agreement remains accurate.

7. I will immediately advise Coherus in writing if it becomes aware of any changes to these representations and covenants.

_____ _____

Signature Date

Print Name:

[1] "Public Official" means: (i) any official, officer, employee or representative of (a) any federal, state, provincial, territory, county or municipal government or any department or agency thereof, (b) any public international organization or any department or agency thereof, or (c) any company or other entity owned or controlled by any government; (ii) any political party or party official; and (iii) any candidate for political office.

Exhibit 10.5

PRESS RELEASE

To be agreed to by the Parties

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CONFIDENTIAL
NON-EXCLUSIVE LICENSE AGREEMENT
["Cabilly Patents"]

This Non-Exclusive License Agreement ("Agreement") is effective as of July 10, 2013 ("Effective Date") by and between Genentech, Inc., a corporation having its principal place of business at 1 DNA Way, South San Francisco, California 94080 (hereinafter "Genentech") and Coherus Biosciences, Inc., a corporation having its principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 (hereinafter "Coherus").

WHEREAS:

A. Genentech owns and controls certain patent rights relating to methods and compositions in the field of antibodies (the "Licensed Patents", as that term is defined below);

B. Coherus is developing, and intends to commercialize, including through Affiliates, an antibody product that binds to the Antigen (as defined below) and wishes to acquire a non-exclusive license to commercialize such product and related products under the Licensed Patents; and

C. Genentech is willing to grant such a non-exclusive license to Coherus on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the promises and the mutual covenants recited herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Unless otherwise specifically set forth herein, the following terms shall have the following meanings:

1.01 "Affiliate" shall mean any corporation or other entity which, directly or indirectly, controls, is controlled by or is under common control with, a Party. For the purpose of this Section 1.01 "control" shall mean (i) the ownership, directly or indirectly, of at least fifty percent (50%) of the outstanding voting securities or other ownership interest of an entity, or (ii) the possession, directly or indirectly, of the power to manage, direct or cause the direction of the management and policies of the corporation or other entity or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the corporation or other entity.

1.02 "Antibody" shall mean any antibody that specifically binds the Antigen, including, without limitation, full-length antibodies and antibody fragment forms, such as Fv, Fab and F(ab')2 , and antibodies or fragments thereof conjugated to a toxin, drug, label or other

moiety. Antibody shall not include any bi-specific antibody, antibody form thereof, or conjugate thereof. [***].

1.03 "Antigen" shall mean Tumor Necrosis Factor alpha.

1.04 "Calendar Quarter" shall mean each three month period commencing January 1, April 1, July 1 and October 1 of each year during the Term.

1.05 "City of Hope" shall mean the City of Hope, having a place of business at 1500 E. Duarte Road, Duarte, CA 91010.

1.06 "Combination Product" shall mean (a) either a single pharmaceutical formulation containing as its active ingredients both an Antibody and one or more other therapeutically or prophylactically active ingredients, or (b) a combination therapy comprised of an Antibody and one or more other therapeutically or prophylactically active products, priced and sold in a single package containing such multiple products, in each case, in all dosage forms, formulations, presentations, line extensions, and package configurations. All references to Licensed Product in this Agreement shall be deemed to include Combination Product.

1.07 "Designee(s)" shall mean any corporation or other entity that is not an Affiliate designated by and under written contract with Coherus or its Affiliates to exercise the license rights of Coherus hereunder in concert with, or in place of and to the exclusion of, Coherus and its Affiliates in all or part of the Territory.

1.08 "Field of Use" shall mean the diagnosis, prevention, control and/or treatment of any and all therapeutic conditions.

1.09 "First Commercial Sale" shall mean the first sale of any Licensed Product by Coherus, its Affiliate or a permitted Sublicensee thereof to a Third Party. The sale shall be deemed to occur on the date of the invoice to the Third Party for the Licensed Product.

1.10 "Licensed Patents" shall mean (i) U.S. Patent No. 6,331,415, issued December 18, 2001 from USSN 07/205,419, (ii) any unexpired patent(s) issuing from divisionals, continuations, or continuations-in-part of any patent application from which U.S. Patent No. 6,331,415 claims priority, including USSN 08/422,187, and (iii) patents that are reissues, reexaminations or extensions of any of the foregoing subsections (i) or (ii), and (iv) foreign counterparts of any of the foregoing subsections (i), (ii) or (iii).

1.11 "Licensed Product" shall mean any product containing an Antibody, the making (or having made), using, selling, offering for sale or importing of which, but for the license granted under this Agreement, would infringe a Valid Claim in the country or jurisdiction in which such activity occurs.

1.12 "Marketing Approval" shall mean all approvals, licenses, registrations or authorizations of any regulatory agency, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport, marketing and sale of Licensed Products in a country or regulatory jurisdiction.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Net Sales" of Licensed Product in a particular period shall mean **[***]**.

1.13 "Party" shall mean either Genentech or Coherus, and when used in the plural shall mean both Genentech and Coherus.

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1.14 “Royalty Term” shall mean, with respect to Licensed Product, on a country-by- country basis, the period of time beginning on the First Commercial Sale and ending on the date of expiration of the last Valid Claim.

1.15 “Sublicensee” is defined in Section 2.02.

1.16 “Term” is defined in Section 7.01.

1.17 “Territory” means the entire world.

1.18 “Third Part(y)ies” means any part(y)ies other than Coherus, Affiliates thereof and Designees.

1.19 “Third Party Contractor” means a Third Party to whom Coherus, its Affiliate or a Sublicensee contracts to perform activities to facilitate the development or marketing of a Licensed Product on behalf of Coherus, an Affiliate thereof or a Sublicensee, including without limitation, to manufacture, fill, finish, distribute and/or ship Licensed Product.

1.20 “U.S.” and “United States” shall mean the United States of America, including its territories and possessions.

1.21 “Valid Claim” shall mean any claim of an issued and unexpired patent within the Licensed Patents that has not been disclaimed, abandoned or dedicated to the public or held unenforceable, unpatentable or invalid by a decision of a court or governmental agency of competent jurisdiction, which decision is unappealable or unappealed within the time allowed for appeal.

1.22 “Valid Sublicense Product” shall mean a specific Coherus proprietary Licensed Product for which Coherus or its Affiliates have exclusive rights to make, sell, offer for sale, import and export worldwide.

ARTICLE II

GRANT

2.01 License. Genentech hereby grants to Coherus and Coherus hereby accepts a non- exclusive license under the Licensed Patents during the Term to make (and have made), use, sell, offer for sale, and import Licensed Product in the Territory in the Field of Use. Coherus shall have a limited right to grant sublicenses with respect to Valid Sublicense Product as provided in Section 2.02.

2.02 Right to Grant Sublicenses. Coherus shall only have the right to grant sublicenses to its Affiliates and Designees (each a “Sublicensee”) of the rights granted hereunder to Coherus to make (and have made), use, sell, offer for sale, and import Valid Sublicense Product, in all or any part of the Territory; provided that Coherus shall always be responsible for the payment of royalties on Net Sales of Valid Sublicense Product by any such Sublicensee and for all other obligations of such Sublicensee under this Agreement as if such obligations were those of

Coherus. The right to grant a sublicense hereunder to a Sublicensee shall be contingent upon, and shall be effective and valid only in the event such sublicense contains provisions binding such Sublicensee that are substantially and effectively the same as the provisions of this Agreement, including, without limitation, the grant to Coherus of audit rights similar to Genentech's audit rights under Section 4.01 of this Agreement, which rights Coherus agrees to exercise for Genentech at Genentech's request and expense. Coherus and its Affiliates shall notify Genentech in writing promptly after the grant of a sublicense hereunder to any Designee (including in such notice the name and address of the Designee). A sublicense granted under this section shall only be further sublicensed in connection with Valid Sublicense Product.

2.03 Third Party Contractors. Coherus, its Affiliates and/or Sublicensees shall be permitted to contract with a Third Party Contractor, provided such Third Party Contractor shall only have the right to perform activities on behalf of Coherus, its Affiliate and/or Sublicensee, shall have no right under the license granted hereunder to use Licensed Product in any other way and shall have no right to sell, offer for sale, import or export Licensed Product.

2.04 No Other License. Coherus understands and agrees that no license under any patent or patent application other than Licensed Patents, or under any know-how, is or shall be deemed to have been granted under this Agreement, either expressly or by implication.

ARTICLE III

FEES AND ROYALTIES

3.01 License Grant Fee. Coherus shall pay to Genentech a one-time, non-creditable, non-refundable license grant fee of **[***]**.

3.02 Development Milestone Payment. Coherus or its Affiliate shall pay a development milestone payment to Genentech for the first Licensed Product to achieve the development milestone event set forth below. Coherus or its Affiliate shall notify Genentech in writing within fifteen (15) calendar days of achieving such event, and Coherus or its Affiliate shall make the development milestone payment to Genentech within thirty (30) calendar days of achieving such event.

(i) For [***], Coherus shall pay to Genentech a one-time, non-creditable, non-refundable development milestone fee of [***]; the development milestone payment set forth in this section shall be payable only one time and only with respect to the first Licensed Product to achieve such milestone event, regardless of how many Licensed Products subsequently achieve such milestone event.

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(b) Royalties. For sales of Licensed Product occurring after the First Commercial Sale, Coherus or its Affiliates shall pay to Genentech on a Calendar Quarter basis a royalty as follows: **[***]**.

3.03 Sales To or Between Coherus, Affiliates and Sublicensees. It is the intent of the Parties that Net Sales shall be based on arm's length sales transactions to Third Parties. No royalties shall be paid upon sales of Licensed Product to or among any of Coherus, its Affiliates and Designees for further sale; provided, however, that in such cases royalties shall be paid upon such further sale of Licensed Product by Coherus, its Affiliates or Sublicensees to Third Parties.

3.04 No Non-Monetary Consideration. Without the prior written consent of Genentech, Coherus, its Affiliates and Sublicensees shall not solicit or accept any consideration for the sale of any Licensed Product unless such consideration will be accurately reflected in Net Sales.

3.05 No Credit Against Royalties. Coherus shall not be entitled to deduct any portion of royalties or other amounts paid to any Third Party from the fees or royalties due to Genentech pursuant to this Agreement for any reason.

ARTICLE IV

RECORDS, REPORTS AND PAYMENTS

4.01 Records Retention. Coherus shall keep and shall cause its Affiliates and Sublicensees to keep true, complete and accurate records of all sales of all Licensed Product in accordance with GAAP, or the equivalent, and in sufficient detail to confirm the accuracy of Coherus' royalty calculations. Such records shall be kept for **[***]** following the end of the calendar year to which they pertain or as required for a requested examination of such records as set forth below. At Genentech's request and expense, Coherus shall permit, not more than once in a calendar year, an independent certified public accountant appointed by Genentech and acceptable to Coherus to examine at Coherus' principal places of business, upon reasonable notice and at reasonable times, such records solely to the extent necessary to verify Coherus' calculations. Coherus shall be responsible for providing access to such records as in the ordinary course of business that are in the possession or control of its Affiliates and Sublicensees. Such examination shall be limited to a period of time no more than **[***]** immediately preceding the request for examination. The report of any such examination shall be made simultaneously to Coherus and Genentech, and the report shall state the amount, if any, by which Coherus has overpaid or underpaid its royalties, including an explanation of such overpayment or underpayment and all data and calculations used to arrive at such overpayment or underpayment. If the royalties paid are found to be in error such that royalties to Genentech were underpaid, then Coherus shall pay the deficient amount plus interest pursuant to Section 4.05 to Genentech

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

within thirty (30) calendar days of delivery of the final audit report; and if royalties to Genentech were underpaid by more than **[***]** of the total royalty owed for the period in question, then Coherus shall additionally reimburse Genentech for its reasonable costs incurred in examining such records. If the underpayment is less than **[***]** of the total royalty owed for the period in question, Coherus shall only be obligated to pay the deficient amount plus interest pursuant to Section 4.05 to Genentech within thirty (30) calendar days of delivery of the final audit report. If Coherus' royalties are found to be in error such that royalties to Genentech were overpaid, then such overpayment shall be credited against future royalty payments to Genentech. Amounts credited by Genentech against future royalty payments shall not exceed the amount of overpayment for the audit period. Genentech shall treat the report under this Section 4.01 in accordance with the confidentiality provisions of this Agreement, and shall cause its independent certified public accountant to enter into a confidentiality agreement with and acceptable to Coherus obligating the independent certified public accountant to retain all such information in confidence pursuant to such confidentiality agreement.

4.02 Reports. Within sixty (60) calendar days after the end of each Calendar Quarter following the First Commercial Sale of Licensed Product, Coherus shall provide to Genentech a written report of all Net Sales subject to royalty under Article III during such Calendar Quarter. Such report shall include, on a country-by-country basis, the determination of Net Sales, setting forth without limitation, the amount of gross sales, deductions taken from gross amount invoiced for sales to arrive at Net Sales and Net Sales amounts, and the royalty payment due.

4.03 Payments. Concurrently with each report pursuant to Section 4.02, Coherus shall make the royalty payment then due. Payments shall be in United States dollars and, unless otherwise agreed in writing, shall be made by wire transfer of immediately available funds to such account of Genentech in such bank as Genentech may from time to time designate in writing. All royalty payments shall be free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes. Coherus shall pay any withholding tax due on behalf of Genentech, and such withholding taxes shall be deducted from all payments due hereunder. The Parties shall cooperate to take advantage of the benefit of any double taxation treaty(ies) that may be applicable.

4.04 Currency Conversion. Royalties payable on Net Sales of Licensed Product made in currency other than U.S. dollars shall be expressed in the currency of the invoice issued by the party making the sale together with the U.S. dollar equivalent of the royalty payable, calculated using the method consistently applied by Coherus in preparing its audited financial statements.

4.05 Interest. All payments not made when due shall bear interest, calculated from the date such payment was due, at **[***]**.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.01 Genentech represents and warrants that it has the full right, power and authority to enter into this Agreement and to grant the license granted under this Agreement. Genentech represents and warrants that (a) it is the co-owner, with the City of Hope, of the Licensed Patents, and (b) by virtue of an agreement between Genentech and the City of Hope, Genentech has the exclusive right to grant licenses under the Licensed Patents, including the right to grant the license granted under this Agreement.

5.02 Each Party represents and warrants that it has made such investigation of all matters pertaining to this Agreement as such Party deems necessary, and does not rely on any statement, promise, or representation, whether oral or written, with respect to such matters other than those expressly set forth herein. Each Party agrees that it is not relying on any matter or any statement, promise, or representation, whether oral or written, made by any person or entity, not specifically set forth in this Agreement.

5.03 Nothing in this Agreement is or shall be construed as:

(i) A warranty or representation by Genentech as to the validity, enforceability, patentability or scope of any claim or patent or patent application within the Licensed Patents;

(ii) A warranty or representation by Genentech that anything made, used, sold, or otherwise disposed of under any license granted in this Agreement is or will be free from infringement of any patent rights or other intellectual property right of any Third Party;

(iii) A grant by Genentech, whether by implication, estoppel, or otherwise, of any licenses or rights other than that expressly granted under Section 2.01; or

(iv) An obligation to bring or prosecute actions or suits against any Third Party for infringement of any of the Licensed Patents.

5.04 EXCEPT AS SET FORTH IN THIS ARTICLE, NO WARRANTY IS GIVEN WITH RESPECT TO THE LICENSED PATENTS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUE OR OTHERWISE, AND THE PARTIES SPECIFICALLY DISCLAIM ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY, ENFORCEABILITY, PATENTABILITY, SCOPE AND/OR INFRINGEMENT OF THE LICENSED PATENTS, OR NON-INFRINGEMENT OF THE PATENT OR OTHER RIGHTS OF ANY THIRD PARTY.

5.05 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH

DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTION 6.01, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF THE CONFIDENTIALITY OBLIGATIONS IN SECTION 8.11.

ARTICLE VI

LIABILITY

6.01 Indemnification by Coherus. Coherus shall indemnify, defend and hold Genentech and its Affiliates and their respective directors, officers, employees and agents harmless from and against any and all liabilities, claims, demands, expenses (including, without limitation, reasonable attorneys' and professional fees and other costs of litigation), losses or causes of action (each, a "Liability") arising out of or relating in any way to (i) the possession, manufacture, use, sale or other disposition of Licensed Product hereunder, whether based on breach of warranty, negligence, product liability or otherwise, (ii) the exercise of any right granted to Coherus, its Affiliates or Sublicensees pursuant to this Agreement, or (iii) any breach of this Agreement by Coherus, its Affiliates or Sublicensees, except to the extent, in each case, that such Liability is caused by the negligence or willful misconduct of Genentech, its directors, officers, employees and/or agents as determined by a court of competent jurisdiction or arising out of or relating in any way to any material breach of Section 5.01 of this Agreement by Genentech; provided, however, that upon receiving notice of any such Liability, Genentech shall promptly notify Coherus and permit Coherus to handle and control the defense (including litigation and settlement) of such Liability, at Coherus' sole expense, and Genentech shall reasonably cooperate with Coherus in the defense of such Liability, at Coherus' sole expense.

ARTICLE VII

TERM AND TERMINATION

7.01 Term. This Agreement will commence on the Effective Date and remain in full force and effect until the end of the Royalty Term (the "Term"), unless earlier terminated in accordance with this Article VII.

7.02 Termination without Cause. Coherus has the right to terminate this Agreement for any reason upon a sixty (60) calendar day prior written notice to Genentech.

7.03 Termination for Breach. Genentech shall have the right to terminate this Agreement and the licenses granted hereunder upon written notice to Coherus for a material breach of this Agreement if Coherus has failed to cure such breach within thirty (30) calendar days following notice thereof. Coherus' failure to pay royalties, and provide reports, to Genentech pursuant to this Agreement when owed shall constitute a material breach.

7.04 Insolvency. Genentech may terminate this Agreement if, at any time, Coherus shall file in any court pursuant to any statute of any individual state or country, a petition in bankruptcy, insolvency or for reorganization or for an agreement among creditors or for the

appointment of a receiver or trustee of Coherus or of its assets, or if Coherus proposes a written agreement of composition or extension of its debts, or if Coherus shall be served with an involuntary petition against it filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after the filing thereof, or if Coherus shall propose or be a party to any dissolution or liquidation, or if Coherus shall make an assignment for the benefit of creditors. Any termination pursuant to this section shall be effective immediately upon notice of such termination.

7.05 Effect of Termination. Termination of this Agreement in whole or in part for any reason shall not relieve Coherus of its obligations to pay all fees and royalties that shall have accrued hereunder prior to the effective date of termination. Termination of this Agreement as to Coherus shall result in the termination of the licenses granted to Coherus and of all sublicenses hereunder, except as set forth in Section 7.06 below. The provisions of Article I, Article IV, Article V, Article VI, Section 7.05 and Section 7.06, and Article VIII shall survive termination of the Agreement for any reason.

7.06 Direct License to Sublicensee on Termination. A sublicense granted by Coherus to a Sublicensee in accordance with this Agreement shall survive termination of this Agreement and shall be deemed to be a direct license from Genentech to such Sublicensee, provided that (i) such Sublicensee is then in full compliance with all terms of this Agreement and the respective sublicense, (ii) such Sublicensee agrees in writing to assume all of the obligations of Coherus that are within the scope of the sublicense granted to such Sublicensee (i.e. subject to any territorial or field limitations in the sublicense to such Sublicensee) under this Agreement and can reasonably show the capacity to comply with such obligations to the same extent as if such Sublicensee were an original party hereto, (iii) the obligations of Genentech under such direct license shall not be greater than the obligations of Genentech under this Agreement, and (iv) the scope of such direct license shall not be broader than the rights sublicensed by Coherus to such Sublicensee.

7.07 Challenge to Licensed Patents. The Parties acknowledge and agree that Genentech may terminate the Agreement at Genentech's sole and absolute discretion, in the event Coherus, its Affiliate or a Sublicensee challenges, or knowingly participates with or assists a Third Party to challenge the validity, enforceability, patentability and/or scope of any claim within the Licensed Patents in a court or patent office or other governmental agency (for a Sublicensee only, this section shall apply to such challenge only with respect to a Licensed Product), **[***]**. In the event of termination by Genentech pursuant to this section, any royalty or other payment owed to Genentech prior to such termination shall be non-refundable.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.01 Relationship of the Parties. Nothing in this Agreement is intended or shall be deemed to constitute or give rise to a partnership, agency, distributorship, employer-employee, joint venture, or fiduciary relationship between the Parties. No Party shall incur any debts or make any commitments for the other.

8.02 Patent Prosecution, Maintenance and Enforcement. Genentech shall be solely responsible, at its sole discretion and expense, for the prosecution, defense, and maintenance of Licensed Patents, and for enforcing Licensed Patents against actual or suspected Third Party infringers.

8.03 Assignment. Neither Party shall assign any of its rights or obligations hereunder except: (a) as incident to the merger, consolidation, reorganization or acquisition of stock or assets affecting substantially all of the assets or voting control of the assigning Party; (b) in the case of Coherus, to any corporation or other entity to which it may transfer all or substantially all of its assets related to the Licensed Product; (c) to any Affiliate if the assigning Party remains liable and responsible for the performance and observance of all of the Affiliate's duties and obligations hereunder; or (d) with the prior written consent of the other Party (which consent shall not be unreasonably withheld). This Agreement shall be binding upon the successors and permitted assigns of the Parties, and the name of a Party appearing herein shall be deemed to include the names of such Party's successor's and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this section shall be void.

8.04 Further Acts and Instruments. Upon request by either Party, the other Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be reasonably necessary or appropriate in order to carry out the purposes and intent of this Agreement.

8.05 Trade names and Trademarks. Except as otherwise provided herein, no right, express or implied, is granted to a Party by this Agreement to use in any manner the name of the other Party or its Affiliates or any other trade name, trademark or logo of the other Party or its Affiliates.

8.06 Entire Agreement. This Agreement and the Confidentiality Agreement dated **[***]** between the Parties constitute and contain the entire understanding and agreement of the Parties and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements, whether verbal or written, between the Parties respecting the subject matter hereof. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in writing and signed by a duly authorized representative of each of the Parties.

8.07 Severability. In the event any one or more of the provisions of this Agreement should for any reason be held by any court or authority having jurisdiction over this Agreement

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or either of the Parties to be invalid, illegal or unenforceable, such provision or provisions shall be validly reformed to as nearly as possible approximate the intent of the Parties and, if such provision cannot be reformed, shall be divisible and deleted in such jurisdiction; elsewhere, this Agreement shall not be affected so long as the Parties are still able to realize the principal benefits bargained for in this Agreement.

8.08 Waiver. The waiver by a Party of any breach of or default under any of the provisions of this Agreement or the failure of a Party to enforce any of the provisions of this Agreement or to exercise any right hereunder shall not constitute or be construed as a waiver of any other breach or default or as a waiver of any such rights or provisions hereunder.

8.09 Choice of Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California without regard to its conflict of laws provisions. This Agreement shall be construed as if drafted equally by the Parties, and in construing this Agreement no presumption shall operate in either Party's favor as a result of the role of it or its counsel in drafting or negotiating the terms or provisions hereof.

8.10 Notices. Any notice, request, consent, or other document required or permitted to be given under this Agreement or otherwise relating to this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (with a confirming copy sent by overnight courier), or sent by overnight courier or registered mail to the Party to whom it is directed at its address shown below or such other address as such Party shall have last given by notice to the other Party. Any such notice, requests, delivery, approval or consent shall be deemed received on the date of hand delivery or transmission by facsimile (provided that such date is a business day, otherwise it shall be deemed received on the next business day), one (1) business day after dispatch by overnight courier, or five (5) business days after dispatch of the registered mail.

If to Coherus, addressed to:

Coherus Inc.
201 Redwood Shores Parkway,
Suite 200,
Redwood City, CA 94065
Attn: President and Chief Executive Officer
Facsimile: (866) 491-7350

If to Genentech, addressed to:

Genentech, Inc.
1 DNA Way
South San Francisco, CA 94080
Attn: Corporate Secretary
Facsimile: (650) 467-9146

8.11 Confidentiality. Neither Party shall disclose any of the terms of this Agreement (including, but not limited to, the financial terms), and Genentech shall not disclose reports

provided pursuant to Section 4.02 or notices provided pursuant to Section 2.02, to any Third Party, in each case without the prior written consent of the other Party; provided, however, that each Party shall be free to disclose any of the terms of this Agreement (i) to the extent that a Party reasonably believes, upon advice of legal counsel, that it is required to do so by securities or other applicable laws, regulations, or rules (including the regulations or rules of any relevant stock exchange), (ii) pursuant to a legal proceeding or order of a court or governmental agency, (iii) to actual or prospective sublicensees, (iv) in the case of Genentech, to its Affiliates and to the City of Hope, (v) to its accountants, attorneys and other professional advisors, (vi) in the case of Coherus, to Affiliates and/or Designees or (vii) in connection with a financing, merger, consolidation, acquisition or a permitted assignment of this Agreement, provided that in the case of any disclosure under (iii), (iv), (v), (vi) or (vii) above, the recipient(s) are obligated and do so undertake to keep such terms of this Agreement confidential to the same extent as said Party, and provided that in the case of disclosure under (ii), the disclosing Party will use reasonable efforts to secure confidential treatment of such terms of this Agreement as are required to be disclosed.

8.12 Publicity. Neither Party shall issue any press release or other publicity material or make any public representation that refers to the terms, including, without limitation, the financial terms, of this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld.

8.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes hereof, a facsimile copy, or email with attached pdf copy of this Agreement, including the signature pages hereto, will be deemed to be an original.

[*Signature page follows*]

IN WITNESS WHEREOF, Genentech and Coherus have caused this Agreement to be executed by their duly authorized representatives.

GENENTECH, INC.

By: /s/ Steve Krognes
Name: Steve Krognes
Title: Chief Financial Officer

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

Exhibit 10.5

CONFIDENTIAL

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SELEXIS

COMMERCIAL LICENSE AGREEMENT

ENTERED INTO WITH

BIOGENERICS, INC.

This Commercial License Agreement (the "Agreement") is made effective on April 8, 2011 (the "Effective Date"), by and between **SELEXIS SA**, 18 chemin des Aulx, 1228 Plan-les-Ouates, Geneva, Switzerland SA ("Selexis") and **BIOGENERICS, INC.** 555 Bryant Street, Ste 266, Palo Alto, CA 94301 ("**COMPANY**").

BACKGROUND

Whereas, **COMPANY** is a biopharmaceutical Company engaged in the research, development, manufacturing and sale of biopharmaceutical products and

Whereas, Selexis is a biotechnology Company engaged in the development and sale of recombinant cell lines based on proprietary technology ("Selexis Technology", as defined further below); and

Whereas, Selexis is the owner of certain proprietary and confidential information and know-how ("Selexis Know-How", as defined further below), and intellectual property ("Selexis Patent Rights", as defined further below); and

Whereas, Pursuant to a Services Agreement dated April 8, 2011 Selexis has developed certain recombinant cell lines for **COMPANY** based on Selexis Technology and **COMPANY** has evaluated such cell lines; and

Whereas, Selexis is willing to grant **COMPANY**, and **COMPANY** is willing to receive from Selexis, Selexis Know-How and Selexis Patent Rights and licenses thereto related to the Selexis Technology, on the terms and conditions set forth herein.

AGREEMENT

Now, therefore, the Parties, intending to be legally bound hereby, do hereby agree as follows:

1. DEFINITIONS

The following capitalized terms, whether used in the singular or the plural, shall have the following meanings as used in this Agreement, unless otherwise specifically indicated:

1.1. "Affiliate" shall mean any Person that, at the date of this Agreement, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Party specified. For the purposes of this definition, "control.' shall mean the possession, direct or indirect, of the power to cause the direction of the management and policies of a Person, whether through ownership of fifty percent (50%) or more of the voting securities of such Person, by contract or otherwise. A Person shall only be considered an Affiliate for so long as such control exists.

1.2. "Agreement" shall mean as defined on Page 2, 1st paragraph.

1.3. "Biosimilar of **[***]**" shall mean a biological product that is demonstrated to be clinically or biophysically "highly similar" (biosimilar) to, or "interchangeable" with, the FDA-licensed biological product **[***]**.

1.4. ''Calendar Quarter" shall mean for each Calendar Year, each of the three month periods ending March 31, June 30, September 30 and December 31.

1.5. "Calendar Year" shall mean the period commencing on January 1 and ending twelve (12) consecutive calendar months later on December 31.

1.6. "Cell Line" shall mean a mammalian cell line that is developed using the Selexis Technology.

1.7. "Clinical Trials" shall mean human studies designed to measure the safety and/or efficacy of the Product. Clinical Studies include Phase 1 Clinical Trials, Phase II Clinical Trials, and Phase Ill Clinical Trials.

1.8. "Collaboration Partner" shall mean a Third Party with which **COMPANY** collaborates on the development of the production process and/or commercialization of a Product or to which **COMPANY** has granted a license for the development of the production process and/or commercialization of a Product.

1.9. "Combination Product" shall mean a Product that contains (a) a Biosimilar of **[***]** and (b) one (1) or more devices, components or therapeutically active pharmaceutical ingredients other than a Biosimilar of **[***]**.

1.10. "Combination Product Adjustment" shall mean the following: Net Sales for such combination product will be adjusted by multiplying actual Net Sales of such combination product by the fraction N(A + B) where A is the weighted (by sales volume) average invoice price of the Product, if sold separately, and B is the weighted (by sales volume) average invoice price of any other active ingredient, device or component in the combination, if sold separately. If, on a country-by-country basis, the other active ingredient, device or component in the combination is not sold separately, Net Sales shall be calculated by multiplying actual Net Sales of such combination product in such country by the fraction NC where A is the invoice price of the Product, if sold separately, in such country and C is the invoice price of the combination product in such country. If, on a country-by-country basis, neither the Product, nor the other active ingredient, device or component of the combination product, is sold separately, Net Sales shall be **[***]**.

1.11. "Commercial License" shall mean as defined in Section 2.1.

1.12. "Commercial License Option" shall mean as defined in Section 2.1.

1.13. "Confidential Information" shall mean and include but not be limited to any technical and business information pertaining to materials and production techniques, products, processes and services, including without limitation relating to physical working models and samples of the products, research, development, patentable and unpatentable inventions, manufacturing, purchasing and product development plans, forecasts, strategies and information,

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engineering, marketing, merchandising, selling, customer lists, customer prospects, software codes, algorithms, names and expertise of employees and consultants, blueprints, technical information, trade secrets or know how or other related proprietary business information and data, in any case whether such information is provided in tangible or intangible form, written, oral, graphic, pictorial or recorded form or stored on computer discs, hard drives, magnetic tape or digital or any other electronic medium if it is labelled or declared "Confidential" or if a party may reasonably assume that the information received must be treated confidential. Confidential Information shall also include any information or documents the Recipient received in confidence from a third party that are subject to similar covenants as those contained in this Agreement.

1.14. "Contractor" shall mean a Third Party contractor who: (i) develops the production process for Products or (ii) manufactures and supplies Products by using such production process.

1.15. "Default" shall mean as defined in Section 7.2.

1.16. "Defaulting Party" shall mean as defined in Section 7.2.

1.17. "Effective Date" shall have the meaning as given on Page 2, 1st paragraph.

1.18. "[***]" shall mean the biologically active protein with the identical protein sequence to commercially available [***] which [***].

1.19. "FDA" shall mean the United States Food and Drug Administration, or any successor agency.

1.20. "First Commercial Sale" shall mean, with respect to any Product in any country, the first sale of such Product for value and for end-use or consumption by the general public in such country after Regulatory Approval as well as Pricing and Reimbursement Approval for such Product has been obtained in such country. For the avoidance of doubt, sales prior to receipt of all Regulatory Approvals and Pricing and Reimbursement Approvals necessary to commence regular commercial sales, such as so-called "treatment IND sales", "named patient sales" and "compassionate use sales", and sales for research or other noncommercial purposes shall not be construed as a First Commercial Sale.

1.21. "Force Majeure" shall mean any occurrence beyond the reasonable control of a Party that prevents or substantially interferes with the performance by the Party of any of its obligations hereunder.

1.22. "**COMPANY**" shall mean as defined on Page 2, 1st paragraph.

1.23. "IND" shall mean an Investigational New Drug Application for the Product filed with the FDA pursuant to 21 C.F.R. Part 312, or any comparable filing made with a Regulatory Authority in another country (including the submission to a competent authority of a request for an authorisation concerning a clinical trial, as envisaged in Article 9. paragraph 2, of European Directive 2001/20/EC).

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1.24. "Insolvent Party" shall mean as defined in Section 7.3.

1.25. "Invention" shall mean any invention, idea, innovation, enhancement, improvement or feature, whether or not patentable or registrable, together with any intellectual property rights relating thereto (including without limitation Patent Rights and rights in confidentiality and proprietary information).

1.26. "Know-How" shall mean information in whatever form, including in any electronic, tangible or intangible medium, and includes information and materials relating to Inventions and other know-how, trade secrets, data (including amongst other things all data from pre-clinical and clinical studies and other studies intended for regulatory submission), results, formulae, DNA and amino acid sequence information and developments.

1.27. "Licensed Field of Use" shall mean the treatment, prevention, diagnosis and palliation of all disease.

1.28. "Losses" shall mean as defined in Section 6.1.

1.29. "Net Sales" shall mean the amount collected by **COMPANY**, its Affiliates and/or its sublicensees on account of sales of Product to Third Parties in the Territory, less the following deductions:

1.29.1. sales and excise taxes arid duties paid or allowed by the selling party and any other governmental charges imposed upon the production, importation, use or sale of the Products;

1.29.2. bona fide trade, quantity and cash discounts allowed on Products;

1.29.3. bona fide rebates;

1.29.4. allowances or credits to customers on account of rejection or return of Product or on account of retroactive price reductions affecting the Product; and

1.29.5. freight and insurance costs, if they are included in the selling price for the product invoiced to Third Parties or if they are billed separately on an invoice, provided always that such deduction shall not be greater than the balance between the selling price actually invoiced to the Third Party and the standard selling price which would have been charged to such Third Party for such Product exclusive of freight and insurance in the respective country or in a comparable country.

In the event that Products are sold in any country in the form of a Combination Product, the Net Sales for any such Combination Product shall be computed pursuant to the Combination Product Adjustment in such country.

In the event that Products are sold to a Third-Party distributor for purposes of resale by the distributor, the distributor shall be considered a Third Party, and not a sublicensee, for purposes of determination of Net Sales, regardless of whether the distributor has entered into any sublicense with **COMPANY**.

Sales of a Product between **COMPANY** and its Affiliates or sublicensees for resale shall be excluded from the computation of Net Sales, but the subsequent resale of such Product to a Third Party shall be included within the computation of Net Sales. Any free-of-charge disposal or use of a Product for development, regulatory or marketing purposes, such as clinical trials, compassionate use or indigent patient programs, shall not be deemed a sale or disposition for purposes of calculating Net Sales.

1.30. "Non-Defaulting Party" shall have the meaning as given in Section 7.2.

1.31. "Notice of Default" shall have the meaning as given in Section 7.2.

1.32. "Party" shall mean Selexis or **COMPANY**, as the case may be; and "Parties" shall mean Selexis and **COMPANY**, collectively.

1.33. "Patent Rights" shall mean any and all of the following: (i) patent applications (including provisional patent applications) and patents (including the inventor's certificates); (ii) any substitution, extension (including patent term extensions and supplementary protection certificate), registration, confirmation, reissue, continuation, divisional, continuation-in-part, re-examination, renewal, patent of addition or the like thereof or thereto; (iii) any foreign counterparts of any of the foregoing; and (iv) any utility model applications and utility models (whether or not corresponding to any of the foregoing).

1.34. "Person" shall mean an individual, a partnership, a joint venture, a corporation, a limited liability Company, a trust, an estate, an unincorporated organization, or any other entity, or a government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity.

1.35. "Phase I Clinical Trial" shall mean a clinical trial conducted in humans which is principally intended to obtain data on the safety, tolerability, pharmacokinetic or pharmacodynamic properties of a product. Phase I shall be deemed to have commenced when the first patient in the study has been treated. Phase I shall be deemed to have completed when the last patient has completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.36. ''Phase II Clinical Trial" shall mean a clinical trial conducted in humans in which the primary objective is a preliminary determination of therapeutic efficiency and/or to find an optimal dose range in patients with the disease target being studied. Phase II shall be deemed to have commenced when the first patient in the study has been treated. Phase II shall be deemed to have completed when the last patient has completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.37. "Phase III Clinical Trial" shall mean a clinical trial conducted in humans in which the primary objective is a determination of therapeutic efficiency in patients with the disease target being studied, Phase Ill shall be deemed to have commenced when the first patient in the study has been treated, Phase III shall be deemed to have completed when the last patient has

completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.38. ‘‘Price and Reimbursement Approval’’ shall mean any approvals, licences, registrations or authorisations of any supranational, national, regional, state or local Regulatory Authority or other regulatory agency, department, bureau or governmental entity, necessary to determine or set the pricing of a Product, and/or its reimbursement level by the relevant health authorities, providers or other funding institutions, at supranational, national, regional, state or local level.

1.39. “Product” shall mean any pharmaceutical preparation in final form containing a Biosimilar of **[***]** as one of its active ingredients, such Biosimilar of **[***]** having been manufactured using a Cell Line.

1.40. “Regulatory Approval” shall mean any approvals, licences, registrations or authorisations of any supranational, national, regional, state or local Regulatory Authority or other regulatory agency, department, bureau or governmental entity, necessary for the manufacture, marketing or sale of the Product or conduct of clinical trials in a regulatory jurisdiction, excluding Price and Reimbursement Approval.

1.41. “Regulatory Authority” shall mean (i) the FDA or (ii) any and all governmental or supranational agencies, ministries, authorities or other bodies with similar regulatory authority with respect to approval or registration of pharmaceutical or biologic products in any other jurisdiction anywhere in the world.

1.42. “Royalty Term” means with respect to each Product sold in a particular country, the period beginning on the date of First Commercial Sale in such country and terminating on the expiration of the last-to-expire or lapse of any Valid Claims covering the Product in such country.

1.43. “Selexis” shall have the meaning as given on Page 2, 1st paragraph.

1.44. “Selexis Know-How” shall mean Selexis’ Confidential Information and Know-How relating to the construction and development of recombinant cell lines for the manufacture of biopharmaceutical products and existing as of the Effective Date or obtained thereafter during the term of this Agreement.

1.45. “Selexis Materials” shall mean the materials provided by Selexis to **COMPANY** under this Agreement and all modifications and improvements thereof made by Selexis during the term hereof.

1.46. “Selexis Patent Rights” shall mean Patent Rights that: (i) are owned or controlled by Selexis, (ii) which are necessary or useful for the use of Selexis Materials or the construction and development of Cell Lines, or the use, manufacture and purification of a Biosimilar of **[***]** and/or the Product, and (iii) are existing as of the Effective Date or obtained

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thereafter during the term of this Agreement. Without limiting the definition set forth in this Section 1.46 the Selexis Patent Rights as of the Effective Date are listed in Exhibit 1 hereto.

1.47. "Selexis Technology" shall mean the Selexis Patent Rights, Selexis Know-How and Selexis Materials.

1.48. "Taxes" shall mean all excises, taxes and duties with the exception of VAT.

1.49. "Term" shall mean as defined in Section 7.1.

1.50. "Territory" shall mean the entire world.

1.51. "Third Party" shall mean a Person other than Selexis, **COMPANY** or an Affiliate of Selexis or **COMPANY**.

1.52. "Valid Claim" shall mean any issued or granted claim of the Selexis Patent Rights that has not been revoked or held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, that is unappealable or remains unappealed at the end of the time allowed for appeal, or that has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise.

1.53. 'VAT' shall mean value added tax and any other similar turnover, sales or purchase, tax or duty levied by any other jurisdiction whether central, regional or local.

2. COMMERCIAL LICENSES

2.1. Commercial Licenses. Selexis hereby grants to **COMPANY** and its Affiliates a non-exclusive license ("Commercial License") in the Territory, with the right to sublicense as per clause 2.2 hereafter, under the Selexis Technology, subject to the terms and conditions of the Agreement, to use Cell Lines for the manufacture of Products in the Licensed Field of Use and to make, have made, use, offer for sale, sell, import and otherwise exploit Products, including, without limitation, the use of Products in Clinical Trials.

2.2. Sublicenses. **COMPANY** may grant sublicenses under the foregoing Commercial License and/or transfer the Cell Lines and Selexis Know-How to a Third Party. For the avoidance of doubt, **COMPANY** shall not transfer Cell Lines to a Third Party for any purpose other than to make, have made, use, offer for sale, sell, import and otherwise exploit Products. Any agreement granting such sublicence shall be consistent with the terms, conditions and limitations of this Agreement. In any event, **COMPANY** is fully liable and responsible for any breach of any of its obligations hereunder committed by an Affiliate, a Collaboration Partner or Contractor, a consultant or agent to whom the Cell Line and the Selexis Technology or parts thereof are made available under any such sublicense. Selexis agrees that, to the extent (i) provided for in each sublicense granted under this Agreement and (ii) such sublicense does not impose any obligations on Selexis in excess of those imposed on Selexis herein, all sublicenses granted with respect to the rights granted under this Agreement shall survive termination of this Agreement and will automatically be assigned to Selexis upon such termination, in order to provide for the applicable sublicensee's continued enjoyment of its rights thereunder.

2.3. Transfer of Selexis Materials. **COMPANY** shall **[***]**. If **COMPANY** makes any such transfer it shall notify Selexis within 30 days of any such transfer and report the name and address of any Transferees together with confirmation that the Transferee has agreed to adhere to the obligations of confidentiality set out in this Agreement.

3. CONSIDERATION

3.1. Payments.

3.1.1. Commercial License Exercise Payment. Upon the execution of this Agreement, **COMPANY** shall pay Selexis the sum of **[***]**.

3.1.2. Commercial License Milestone Payments. As consideration for the rights and licenses granted by Selexis to **COMPANY** under this Agreement, **COMPANY** shall make the following milestone payments to Selexis with respect to the first occurrence of such milestone events:

(a) upon **[***]: [***];**

(b) upon **[***]: [***];**

(c) upon **[***]: [***];**

(d) upon **[***]: [***].**

The payments set forth above in this Section 3.1.2 shall be payable only once for each milestone event, upon the first occurrence of such milestone event, regardless of the number of times each event occurs.

3.1.3. Commercial License Royalty Payments. In addition to the milestone payments, during the Royalty Term **COMPANY** shall pay Selexis on a Product-by-Product and country-by-country basis a royalty of **[***]** of Net Sales of all Products sold worldwide. In the case where royalties are due in respect of the sale of Product directly by **COMPANY** such royalties shall be paid for each Calendar Quarter within forty-five (45) days of the end of that Calendar Quarter. Where royalties are due in respect of the sale of Products by a sub-licensee of **COMPANY** payment shall be made within ninety (90) days of the end of that Calendar Quarter. For the avoidance of doubt no royalty payments shall be due in any country after the Royalty Term has expired in such country Where royalties are no longer due in accordance with the foregoing in respect of any Product in any country, the Commercial Licences granted to **COMPANY** under this Agreement shall become perpetual, irrevocable,

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fully paid up and royalty free in respect of such Product in such country and notwithstanding Section 2.3, **COMPANY** shall have the right to transfer the Selexis Materials to any Third Party in connection with the manufacture, use and sell of such Product in such country.

3.2. Mechanism of Payment. The payments due to Selexis under this Agreement shall be made by wire transfer or electronic fund transfer (at **COMPANY**'s discretion) to the credit and account of Selexis as follows:

Bank Name: **[***]**
[***]
[***]

Account: **[***]**
[***]
[***]
[***]

To: Selexis S.A.
18, chemin des Aulx
1228 Plan-les-Ouates
Geneva, Switzerland

3.3. Payment Terms. Save as provided in Section 3.1.3, **COMPANY** shall make payments due to Selexis under this Agreement at the latest **[***]** after receipt of invoice except where such fees are due from a **COMPANY** licensee, in which case **COMPANY** shall have **[***]** after receipt of invoice to make such payments. All such fees and payments are exclusive of any applicable VAT, other taxes, duties and excises (collectively, "Taxes").

3.4. Records. **COMPANY** and its Affiliates shall keep (and **COMPANY** shall use its best endeavours to procure that its sub-licensees shall keep and make available to **COMPANY**) true accounts of Net Sales of Products and **COMPANY** shall deliver to Selexis at the same time as the payments due under Section 3.1.3. a written account, including quantities of Net Sales of each such Product, broken down on a country-by-country basis in respect of those payments. Upon not less than sixty (60) days' prior written notice, Selexis is entitled to have such accounts audited by an independent expert of its choice for a period of **[***]** after receiving any such written account, solely to verify the accuracy of payments reported and paid hereunder. Such audits may be made no more than once each calendar year and during normal business hours, with reasonable efforts to minimize disruption of **COMPANY'S** normal business activities. Such independent expert shall be bound by confidentiality terms at least as restrictive as the terms of Clause 10 of this Agreement and shall be authorized to disclose to Selexis only the amount and accuracy of payments reported and actually paid or otherwise payable under this Agreement. **COMPANY** shall provide access to all information reasonably requested by such expert. The cost of any audit shall be borne by Selexis unless the audit shows that **COMPANY** underpaid Selexis by more than 2% of the amounts due in which case the cost of the audit shall be borne by **COMPANY**.

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3.5. Taxes. **[***]** will pay **[***]** taxes levied on account of any payments made to Selexis under this Agreement (other than taxes on income, gains or profits levied against **[***]**). If any taxes are required to be withheld by Company from any payment made to Selexis under this Agreement, Company will (a) deduct such taxes from the payment made to Selexis, (b) timely pay the taxes to the proper taxing authority, and (c) send proof of payment to Selexis and certify its receipt by the taxing authority within thirty (30) days following such payment.

3.5.1. Single Royalty. Nothing shall oblige **COMPANY** or its sublicensees to pay or cause to be paid to Selexis more than one royalty on any unit of Product, irrespective of how many Selexis Patent Rights may cover such Product.

4. INTELLECTUAL PROPERTY

4.1. Ownership. Each Party shall retain the entire right and title in and to its Inventions and Know-How which exists on the Effective Date of this Agreement or which is thereafter developed independently of the performance of this Agreement.

4.2. In the event Selexis possesses, acquires, creates or is licensed any improvements to the Selexis Technology, subject to any bona fide obligations owed by Selexis to third parties (in respect of which Selexis has notified **COMPANY**), such improvements shall automatically be included in the Selexis Patent Rights and/or the Selexis Know-how and thereby disclosed and licensed at no extra cost to **COMPANY** in accordance with this Agreement.

4.3. Third Party Patent Rights.

4.3.1. Selexis covenants that if Selexis becomes aware or reasonably determines that the practice of the Selexis Technology and/or use of the Cell Lines in order to make, have made, use, sell, offer for sale or import any Product in the Field in the Territory would, or would allegedly infringe or misappropriate any Third Party' Patent Rights, Know-How or other intellectual property rights. it shall notify **COMPANY** of the same within five (5) days (the "Infringement Notice"). Selexis shall use its best efforts to promptly resolve such infringement at Selexis' cost to ensure that **COMPANY** may exercise its rights under this Agreement without infringing or misappropriating such Patent Rights, Know-How or other intellectual property rights , including using its best efforts to obtain a license from the Third Party owner of such Patent Rights, Know-How or other intellectual property which entitles Selexis to continue to grant the rights to **COMPANY** set forth herein. Should such efforts not be successful, Selexis shall inform **COMPANY** in writing. Selexis shall be responsible for payment of any and all fees, milestones, royalties or other payments owed to any Third Party for any Patent Rights or Know-How or other intellectual property rights licensed or acquired by it after the Effective Date, which are necessary or useful for **COMPANY** to make, have made, use, sell, offer for sale or import any Product in the Field in the Territory without infringing or misappropriating a Third Party's Patent Rights, Know-How or other intellectual property right.

4.4.Enforcement of Selexis Patent Rights. If during the Term, either Party becomes aware of any infringement or potential infringement of the Selexis Technology it shall promptly notify the other Party in writing and the Parties shall consult with each other to decide the best

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

way to respond to such infringement or misuse. Selexis covenants that if Selexis becomes aware of an infringement of the Selexis Patent Rights by Third Parties in the Licensed Field of Use, Selexis shall use its reasonable commercial efforts to prevent or enjoin such infringement.

4.5. **COMPANY** Intellectual Property. **COMPANY** shall retain all right, title and interest in (and the unrestricted right to use) any and all information, data, results, Know-How, products and the like, whether patentable or not, arising out of the conduct of the licenses granted hereunder and all intellectual property appurtenant thereto, including without limitation the Product composition or sequence and any related intellectual property. **COMPANY** shall have the unrestricted right to publish or otherwise disclose the results and data obtained by the practice of the Selexis Technology provided such disclosure does not include the Confidential Information of Selexis. The name of Selexis shall be given proper recognition in such publication(s) as scientifically appropriate.

4.6. Further Assurance. Each Party agrees to execute and do all things at the cost of the other Party (it not specifically agreed otherwise) as the other Party may reasonably require to give that other Party the full benefit of the provisions of this Section 4.

5. REPRESENTATIONS, WARRANTIES, AND COVENANTS

5.1. Corporate Power. Each Party hereby represents and warrants that such Party is duly organized and validly existing under the laws of the state (or country or other jurisdiction, as the context requires) of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

5.2. Due Authorization. Each Party hereby represents and warrants that such Party is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder and the person executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate actions.

5.3. Binding Agreement. Each Party hereby represents and warrants that this Agreement is a legal and valid obligation binding upon it and is enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles and public policy.

5.4. No Conflicts. Each Party hereby represents and warrants that the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a Party or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having authority over it.

5.5. Additional Warranties by Selexis. Selexis hereby warrants, represents and covenants to **COMPANY** that, to the best of its knowledge;

5.5.1. As of the Effective Date, there are no Third Party intellectual property rights that may be asserted against **COMPANY** claiming that the use by **COMPANY** of the Selexis Technology under this Agreement constitutes an infringement thereof;

5.5.2. As of the Effective Date, there is no pending litigation which alleges that the use of Selexis Technology has infringed or misappropriated any of the intellectual property rights of any Third Party, and Selexis has not received any written claim that the use of Selexis Technology infringes on any intellectual property rights of a Third Party or a request or demand from any Third Party for the licensing of any intellectual property rights of such party in connection with the practice of the Selexis Technology;

5.5.3. Selexis is the owner of or controls the Selexis Technology, and has the right to grant **COMPANY** the rights and licenses granted **COMPANY** under this Agreement, and will not, knowingly during the Term, grant any rights to any Third Party that would adversely affect **COMPANY** 's rights or licenses granted under this Agreement.

5.5.4. The Selexis Technology is free and clear of any encumbrance, lien, mortgage, charge, restriction or liability of any kind whatsoever, whether equitable or legal, that would conflict with or impair the rights granted to **COMPANY** under this Agreement;

5.5.5. As of the Effective Date, none of the Selexis Patent Rights are involved in any interference or opposition proceeding, and Selexis has not received any request, demand or notice from any Third Party threatening or disclosing such a proceeding with respect to any of the Selexis Patent Rights; and

5.5.6. As of the Effective Date, Selexis has not received any statement or assertion that (i) any claim in any of the Selexis Patent Rights is, or may be or become rendered, invalid or unenforceable, (ii) any Third Party is aware of any basis as to the Future potential invalidity or unenforceability of any claim of any of the Selexis Patent Rights, or (iii) the Selexis Patent Rights do not list all required inventors.

5.5.7. Any replacement Selexis Materials shall satisfy the characteristics set forth in the Selexis Report and shall be free of mycoplasma or other pathogenic contamination.

5.6. Additional Warranties by **COMPANY**. **COMPANY** hereby warrants, represents and covenants to Selexis that, to the best of its knowledge:

5.6.1. As of the Effective Date, there is no pending litigation which alleges that the use of the DNA sequence replicated by the Cell Line has infringed or misappropriated any of the intellectual property rights of any Third Party, and **COMPANY** has not received any claim that the use thereof infringes on any intellectual property rights of a Third Party or a request or demand from any Third Party for the licensing of any intellectual property rights of such party in connection with the use of the DNA sequence replicated by the Cell Line;

5.7. Notification. Selexis shall notify **COMPANY** promptly during the Term, if:

5.7.1. Selexis Patent Rights become involved in any interference or opposition proceeding, or Selexis receives any request, demand or notice from any Third Party threatening or disclosing such a proceeding with respect to any of the Selexis Patent Rights; or

5.7.2. Selexis receives any written statement or assertion that (i) any claim in any of the Selexis Patent Rights is, or may be or become rendered, invalid or unenforceable, (ii) any Third Party is aware of any basis as to the future potential invalidity or unenforceability of any claim of any of the Selexis Patent Rights, or (iii) the Selexis Patent Rights do not list all required inventors.

5.8. Disclaimer of Warranties by Selexis. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELEXIS DOES NOT MAKE ANY REPRESENTATION OR WARRANTY TO **COMPANY** OF ANY NATURE, EXPRESS OR IMPLIED, THAT THE SELEXIS TECHNOLOGY WILL BE USEFUL FOR, OR ACHIEVE ANY PARTICULAR RESULTS AS A RESULT OF ANY USE BY **COMPANY** OF THE SELEXIS TECHNOLOGY PURSUANT TO ANY LICENSE GRANTED TO **COMPANY** UNDER THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELEXIS SPECIFICALLY DISCLAIMS ANY WARRANTY OF NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

6. INDEMNIFICATION; LIMITATION OF LIABILITY

6.1. Indemnification by Selexis. During the Term and thereafter, Selexis hereby agrees to save, defend and hold **COMPANY**, its Affiliates, and their respective officers, directors, employees, consultants and agents harmless from and against any and all liability, damage, loss or expense (collectively, "Losses") claimed by a Third Party resulting from (i) any breach of Selexis' representations, warranties, and covenants set forth in this Agreement or (ii) the practice of licensed rights by **COMPANY** in accordance with this Agreement, except to the extent that such Losses result from the gross negligence or intentional misconduct of **COMPANY**, its Affiliates, and their respective officers, directors, employees, consultants and agents. In the event **COMPANY** seeks indemnification under this Section 6.1, **COMPANY** shall inform Selexis of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit Selexis to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at Selexis' expense) in the defense of the claim but provided always that Selexis may not settle any such claim or otherwise consent to an adverse judgment or order in any relevant action or other proceeding or make any admission as to liability or fault without the express written permission of **COMPANY**.

6.2. Indemnification by **COMPANY**. During the Term and thereafter, **COMPANY** hereby agrees to save, defend and hold Selexis and its officers, directors, employees, consultants and agents harmless from and against any and all Losses claimed by a Third Party (i) that the **[***]** or (ii) resulting from personal injury or damage to property caused by any Products (including breach of the warranty pursuant to clause 5.6), except to the extent that **COMPANY** is indemnified by Selexis in respect of those Losses pursuant to Section 6.1 or that such Losses result from the gross negligence or intentional misconduct of Selexis its Affiliates,

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and their respective officers, directors, employees, consultants and agents. In the event Selexis seeks indemnification under this Section 6.2, Selexis shall inform COMPANY of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit COMPANY to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at COMPANY's expense) in the defense of the claim.

6.3. Insurance. **COMPANY** shall maintain product liability insurance (or self-insure) in an amount consistent with industry standards; with respect to **COMPANY**, such insurance being in place by the time human clinical trials are initiated and maintained while clinical trials are underway or Product is offered for sale. **COMPANY** shall name Selexis as an additional insured with respect to such insurance. Company shall provide a certificate of insurance (or evidence of self-insurance) evidencing such coverage to Selexis upon request.

6.4. EXCEPT FOR LIABILITY FOR BREACH OF SECTION 8, NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR ANY LICENSE GRANTED HEREUNDER; provided however, that this Section 6.4 shall not be construed to limit either Party's indemnification obligations under this Section 6.

6.5. Limitation of Liability. Excluding breaches of Section 8, Selexis' liability under Section 6,1 will in no event exceed [***] the aggregate amount paid to Selexis under this Agreement, and Selexis' liability otherwise under this Agreement. whether in contract or tort or otherwise, will not exceed [***] the aggregate amount paid to Selexis under this Agreement.

7. TERM AND TERMINATION

7.1. Term. This Agreement shall enter into effect on the Effective Date. Unless earlier terminated pursuant to Sections 7.2, 7.3 or 7.4 of this Agreement shall remain in full force and effect on a country-by-country and Product-by-Product basis until the expiration of the Royalty Term with respect to such Product (such period, the "Term"). Upon expiration of the Term on a country-by-country and Product-by-Product basis, the Commercial Licences granted to COMPANY under this Agreement shall become perpetual, irrevocable, fully paid up and royalty free in respect of such Product and country, and this provision shall survive expiration and termination of this Agreement.

7.2. Termination for Default. In addition to any other remedies which may be available at law or equity, in the event of any material breach of this Agreement by a Party ("Default"), the Party not in default ("Non-Defaulting Party") shall have the right to give the other Party ("Defaulting Party") written notice thereof ("Notice of Default''), which notice must state the nature of the Default in reasonable detail and request that the Defaulting Party cure such Default within [***] days. If such Default is not cured within the period set forth herein after receipt of a Notice of Default by the Defaulting Party or if such Default is not capable of being cured, then the Non-Defaulting Party, at its option, may terminate this Agreement by written notice effective upon receipt.

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7.3. Termination for Bankruptcy. In the event that a Party files for protection under bankruptcy laws, files a petition under any bankruptcy or insolvency act or has such a petition filed against it which is not discharged in [***] days thereof , or makes any arrangement with its creditors or has a receiver or administrator appointed to the whole or any part of its assets or if an order shall be made or a resolution passed for its winding up unless such order or resolution is part of a scheme for its amalgamation or reconstruction ("Insolvent Party"), the other Party shall have the right to serve immediate notice of termination of this Agreement, effective upon receipt.

7.4. Termination by **COMPANY**. **COMPANY** may terminate this Agreement at any time by giving sixty (60) days written notice to Selexis.

7.5. Effects of Expiration or Termination.

7.5.1. Termination of Licenses. In the event of a termination of this Agreement by **COMPANY** pursuant to Section 7.2, 7.3 or 7.4 or by Selexis pursuant to Sections 7.2 or 7.3, the rights and licenses granted under this Agreement shall terminate other than those licenses which have become perpetual as described in Sections 3.1.3 and 7.1.

7.5.2. Selexis Confidential Information. Upon termination of this Agreement under Section 7.2 or 7.3 wherein **COMPANY** is the Insolvent Party, or Section 7.4, **COMPANY** shall dispose of all tangible embodiments, including Selexis Materials, and render inaccessible or useless all electronic embodiments, of Selexis Confidential Information provided to **COMPANY** by Selexis hereunder, except that (i) **COMPANY** may retain one (1) copy thereof for legal archival purposes, (ii) Company may retain any such Selexis Confidential Information to the extent necessary to exercise rights under licenses that have become perpetual as described in Sections 3.1.3 and 7.1 and (iii) sublicensees possessing sublicenses that survive such termination may possess such Selexis Confidential Information.

7.5.3. **COMPANY** Confidential Information. Upon any expiration or termination of this Agreement, Selexis shall dispose of all tangible embodiments, and render inaccessible or useless all electronic embodiments, of **COMPANY** Confidential Information provided to Selexis by **COMPANY** hereunder, except that Selexis may retain one (1) copy thereof for legal archival purposes.

7.5.4. Accrued Obligations. Expiration or termination of this Agreement shall not relieve the Parties of any obligation or liability accruing prior to such expiration or termination and all ancillary provisions necessary for the implementation of this Section 7.5.5 shall survive termination.

7.5.5. Survival. Sections 4, 6, 7.1, 7.5, 8, 9, and the final sentence of Section 3.1.3 shall survive termination or expiration of this Agreement.

7.5.6. Wind Down. **COMPANY** and its Affiliates may continue, to the extent that **COMPANY** and its Affiliates continue to have an inventory of Products, to fulfill orders received from customers for Products until up to twelve (12) months after the effective date of termination For the Products sold by **COMPANY** and its Affiliates after the effective

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date of termination, **COMPANY** shall continue to make payments to Selexis in accordance with Section 3.1.3.

8. CONFIDENTIALITY

8.1. Nondisclosure. During the Term, and for a period of five (5) years thereafter, each Party will maintain all Confidential Information of the other Party as confidential and will not disclose any Confidential Information to any Third Party except to its Affiliates, sublicensees, employees, agents, consultants and other representatives, who have a need to know such Confidential Information and who are bound by obligations of confidentiality at least as restrictive as set forth herein. Each Party may use such Confidential Information only to the extent required to accomplish the purposes of this Agreement. Each Party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own to ensure that its Affiliates, employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the Confidential Information.

8.2. Exceptions. Confidential Information shall not include any information that the receiving Party can prove by competent evidence is:

8.2.1. now, or hereafter becomes, through no act or failure to act on the part of the receiving Party, generally known or available;

8.2.2. known by the receiving Party at the time of receiving such information, as evidenced by its records;

8.2.3. hereafter furnished to the receiving Party by a Third Party, as a matter of right and without restriction on disclosure;

8.2.4. independently developed by the receiving Party without the aid, application or use of Confidential Information; or

8.2.5. the subject of a written permission to disclose provided by the providing Party.

8.3. Authorized Disclosures. Each Party shall be permitted to disclose Confidential Information of the other Party:

8.3.1. to the extent that, such Confidential Information is required to be disclosed to comply with applicable laws or regulations (such as disclosure to the United States Securities and Exchange Commission or to comply with the request or order of any applicable Regulatory Authority, whether or not having the force of law) or with a court or administrative order; provided however, that such Party shall first have given written notice of such required disclosure to the other Party, shall make reasonable efforts to narrow the scope of Confidential Information of the other Party required to be disclosed, and shall take reasonable steps to allow the other Party at its own expense to seek a protective order to protect the confidentiality of the Confidential Information required to be disclosed; or

8.3.2. to establish rights or enforce obligations under this Agreement, but only to the extent such disclosure is necessary and provided that such Party seeks confidential treatment of the Confidential Information to be disclosed.

9. MISCELLANEOUS

9.1. Assignment. Neither this Agreement nor any interest hereunder shall be assignable by either Party without the prior written consent of the other Party; provided, that either Party may assign this Agreement and all of its rights and obligations hereunder, without such consent, to an entity which acquires all or substantially all of the business or assets of such Party (or the business or assets to which this Agreement pertains) whether by merger, consolidation, reorganization, acquisition, sale, license or otherwise; and **COMPANY** may assign this Agreement and all of its rights and obligations hereunder, without such consent, to an Affiliate if **COMPANY** remains liable and responsible for the performance and observance of all of the Affiliate's duties and obligations hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 9.1 shall be null and void.

9.2. Compliance with Governmental Obligations. Each Party shall comply, upon reasonable notice from the other Party, with all governmental requests directed to either Party and provide all information and assistance necessary to comply with the governmental requests.

9.3. Counterparts. This Agreement may be executed in any number of counterparts, each of which need not contain the signature of more than one Party but all such counterparts taken together shall constitute one and the same agreement, and may be executed through the use of facsimiles.

9.4. Dispute Resolution. The Parties agree that in the event of a dispute between them arising from, concerning or in any way relating to this Agreement, the Parties shall undertake good faith efforts to resolve any such dispute in good faith with the matter being referred at the request of either Party to the general counsel for each Party and, if remaining unresolved after thirty (30) days, then to the chief executive officers of each Party (or their designees). If after ninety (90) days of the matter first being referred to the general counsel the Parties are unable to resolve such dispute, either Party may seek any remedy available pursuant to Section 9.8 of this agreement

9.5. Entire Agreement. This Agreement (including the Exhibits attached hereto, which are incorporated herein by reference) sets forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof; constitutes and contains the complete, final, and exclusive understanding and agreement of the Parties with respect to the subject matter hereof; and cancels, supersedes and terminates all prior agreements and understanding between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations conditions or understandings, whether oral or written, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition

to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

9.6. Force Majeure. Neither Party shall be liable to the other for loss or damages for any default or delay attributable to any Force Majeure, if the Party affected shall give prompt notice of any such cause to the other Party. The Party giving such notice shall thereupon be excused from such of its obligations hereunder as it is thereby disabled from performing for so long as it is so disabled, provided, however. that such affected Party commences and continues to take reasonable and diligent actions to cure such cause; and provided further that if any Force Majeure delays or prevents the performance of the obligations of either party for a continuous period in excess of six months, the party not so affected shall then be entitled to give notice to the affected party to terminate this Agreement, specifying the date (which shall not be less than [30] days after the date on which the notice is given) on which termination will take effect, Such a termination notice shall be irrevocable, except with the consent of both parties, and upon termination the provisions of Section 9.5 shall apply.

9.7. Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

9.8. Governing Law and Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Massachusetts. In relation to any legal action or proceedings arising out of or in connection with this Agreement ("Proceedings"), each of the Parties irrevocably submits to the exclusive jurisdiction of the state and federal courts located in Boston, Massachusetts, and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.

9.9. Independent Contractors. The relationship between Selexis and **COMPANY** created by this Agreement is one of independent contractors and neither Party shall have the power or authority to bind or obligate the other Party except as expressly set forth in this Agreement.

9.10. Interpretation of Agreement. Article and other descriptive headings used in this Agreement are for reference purposes only and shall not constitute a part hereof or affect the meaning or interpretation of this Agreement. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

9.11. License Obligations. Nothing in this Agreement imposes any obligation upon a Party to enter into any other license or agreement with the other Party. The Parties agree that (i) either Party shall be entitled, to the full extent permitted by applicable bankruptcy law, to elect to retain of its rights as a licensor or licensee respectively, in the event that the other Party files for bankruptcy in any jurisdiction or has any petition for bankruptcy filed against it, and (ii) either Party may, to the fullest degree permitted by applicable bankruptcy law, exercise all of its rights and elections under the relevant bankruptcy law, including but not limited to retention of its rights as a licensor or licensee respectively, regardless of whether either Party files for

bankruptcy in the United States or any other jurisdiction or has any petition for bankruptcy filed against it.

9.12. Non-Disclosure. Except as otherwise required by law or regulation, and only after compliance with this Section 9.12, neither Party shall issue a press release or make any other disclosure of the existence of or the terms of this Agreement, or otherwise use the name or trademarks or products of the other Party or the names of any employee thereof, without the prior approval of such press release or disclosure by the other Party. However if, in the reasonable opinion of such Party's counsel, a public disclosure shall be required by law, regulation, or court order, including without limitation in a filing with the United States or Europe Securities and Exchange Commission or the United States Food and Drug Administration or the European Medicines Agency, the disclosing Party shall provide copies of the disclosure reasonably in advance of such filing or other disclosure for the non-disclosing Party's prior review and comment, and the non-disclosing Party shall provide its comments as soon as practicable. No disclosure permitted by this Section 9.12 shall contain any Confidential Information of the other Party unless otherwise permitted in accordance with Section 9 herein.

9.13. Notices. All notices and other communications required by this Agreement shall be in writing in the English language and shall be deemed given if delivered personally or by facsimile transmission (receipt verified), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

	To Company	**Selexis**
Address:	BioGenerics, Inc. 555 Bryant St Ste 266 Palo Alto, CA 94301	Selexis S.A. 18 Chemin des Aulx 1228 Plan-les-Ouates Geneva, Switzerland
Attention:	Chief Executive Officer	General Assistant
With a copy to:	Chief Business Officer	Chief Executive Officer
Facsimile:	+1 650 521-5910	+41 22 308-9361

or to such addresses or addresses as the Parties hereto may designate for such purposes during the Term. Notices shall be deemed to have been sufficiently given or made: (i) if by facsimile with confirmed transmission, when performed, and (ii) if by air courier upon receipt by the Party.

9.14. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of **COMPANY** and Selexis (and their permitted successors and assigns) and nothing in this Agreement (express or implied) is intended to or shall confer upon any Third Party any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

9.15. Severability. If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be held to be invalid or unenforceable, then the remainder of this Agreement, or the application of such term, covenant or condition to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

9.16. Use of Name. No right, express or implied, is granted to either Party by this Agreement to use in any manner any trademark or trade name of the other Party including the names “BioGenerics” and “Selexis” without the prior written consent of the owning Party.

9.17. Waiver. The failure on the part of a Party to exercise or enforce any rights conferred upon it hereunder shall not be deemed to be a waiver of any such rights nor operate to bar the exercise or enforcement thereof at any time or times hereafter.

In Witness Whereof, the Parties, having read the terms of this Agreement and intending to be legally bound hereby, do hereby execute this Agreement.

SELEXIS S.A.

By: /s/ Igor Fisch
Name: Dr. Igor Fisch
Title: CEO
Date: April 13, 2014

By: /s/ Regine Brokamp
Name: Regine Brokamp
Title: COO
Date: April 13, 2014

COMPANY

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and CEO
Date: April 8, 2014

EXHIBIT 1

SELEXIS PATENT RIGHTS

Patent 1.

Title	**[***]**
Priority date	**[***]**
Priority ID	**[***]**
Publication ID	**[***]**
Geographies	**[***]**
Status	**[***]**

Patent 2.

Title	**[***]**
Priority date	**[***]**
Priority ID	**[***]**
Publication ID	**[***]**
Geographies	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.6

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

COMMERCIAL LICENSE AGREEMENT

ENTERED INTO WITH

COHERUS BIOSCIENCES, INC.

([***])

This Commercial License Agreement (the "Agreement") is made effective on as of June 25, 2012 (the "Effective Date"), by and between **SELEXIS SA**, 18 chemin des Aulx, 1228 Plan-les-Ouates, Geneva, Switzerland SA ("Selexis") and **COHERUS BIOSCIENCES, INC.**, 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 ("COMPANY").

BACKGROUND

Whereas, COMPANY is a biopharmaceutical Company engaged in the research, development, manufacturing and sale of biopharmaceutical products;

Whereas, Selexis is a biotechnology Company engaged in the development and sale of recombinant cell lines based on proprietary technology ("Selexis Technology", as defined further below);

Whereas, Selexis is the owner of certain proprietary and confidential information and know-how ("Selexis Know-How", as defined further below), and intellectual property ("Selexis Patent Rights", as defined further below);

Whereas, Pursuant to a Services Agreement dated October 20, 2011 Selexis has developed (or will develop) certain recombinant cell lines for COMPANY based on Selexis Technology and COMPANY has evaluated (or will evaluate) such cell lines (the "Services Agreement"); and

Whereas, Selexis is willing to grant COMPANY, and COMPANY is willing to receive from Selexis, Selexis Know-How and Selexis Patent Rights and licenses thereto related to the Selexis Technology, on the terms and conditions set forth herein.

AGREEMENT

Now, therefore, the Parties, intending to be legally bound hereby, do hereby agree as follows:

1. DEFINITIONS

The following capitalized terms, whether used in the singular or the plural, shall have the following meanings as used in this Agreement, unless otherwise specifically indicated:

"Affiliate" shall mean any Person that, at the date of this Agreement, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Party specified. For the purposes of this definition, "control" shall mean the possession, direct or indirect, of the power to cause the direction of the management and policies of a Person, whether through ownership of fifty percent (50%) or more of the voting securities of such Person, by contract or otherwise. A Person shall only be considered an Affiliate for so long as such control exists.

"Agreement" shall mean as defined on Page 2, 1st paragraph.

1.1 "BLA" shall mean a Biologics License Applications for the Product filed with the FDA pursuant to 21 C.F.R. Part 601.

1.2 "Calendar Quarter" shall mean for each Calendar Year, each of the three month periods ending March 31, June 30, September 30 and December 31.

1.3 "Calendar Year" shall mean the period commencing on January 1 and ending twelve (12) consecutive calendar months later on December 31.

1.4 "Cell Line" shall mean a mammalian cell line that is developed using the Selexis Technology.

1.5 "Clinical Trials" shall mean human studies designed to measure the safety and/or efficacy of the Product. Clinical Studies include Phase I Clinical Trials, Phase II Clinical Trials, and Phase III Clinical Trials.

1.6 "Collaboration Partner" shall mean a Third Party with which COMPANY collaborates on the development of the production process and/or commercialization of a Product or to which COMPANY has granted a license for the development of the production process and/or commercialization of a Product.

1.7 "Combination Product" shall mean a Product that contains (a) the Company Protein and (b) one (1) or more devices, components or therapeutically active pharmaceutical ingredients other than the Company Protein.

1.8 "Combination Product Adjustment" shall mean the following: Net Sales for such combination product will be adjusted by multiplying actual Net Sales of such combination product by the fraction A/(A B) where A is the weighted (by sales volume) average invoice price of the Product, if sold separately, and B is the weighted (by sales volume) average invoice price of any other active ingredient, device or component in the combination, if sold separately. If, on a country-by-country basis, the other active ingredient, device or component in the combination is not sold separately, Net Sales shall be calculated by multiplying actual Net Sales of such combination product in such country by the fraction A/C where A is the invoice price of the Product, if sold separately, in such country and C is the invoice price of the combination product in such country. if, on a country-by-country basis, neither the Product, nor the other active ingredient, device or component of the combination product, is sold separately, Net Sales shall be **[***]**.

1.9 "Commercial License" shall mean as defined in Section 2.1.

1.10 "COMPANY" shall mean as defined on Page 2, 1st paragraph.

1.11 "Company Protein" means the monoclonal antibody identified by COMPANY as **[***]** (and identified as such in the Proposal of the Services Agreement), the sequence of which is provided in Exhibit 2, and any progeny, derivative, part or fragment thereof.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

1.12 "Confidential Information" shall mean and include but not be limited to any technical and business information pertaining to materials and production techniques, products, processes and services, including without limitation relating to physical working models and samples of the products, research, development, patentable and unpatentable inventions, manufacturing, purchasing and product development plans, forecasts, strategies and information, engineering, marketing, merchandising, selling, customer lists, customer prospects, software codes, algorithms, names and expertise of employees and consultants, blueprints, technical information, trade secrets or know how or other related proprietary business information and data, in any case whether such information is provided in tangible or intangible form, written, oral, graphic, pictorial or recorded form or stored on computer discs, hard drives, magnetic tape or digital or any other electronic medium if it is labelled or declared "Confidential" or if a Party may reasonably assume that the information received must be treated confidential. Confidential Information shall also include any information or documents the Recipient received in confidence from a Third Party that are subject to similar covenants as those contained in this Agreement.

1.13 "Contractor" shall mean a Third Party contractor who: (i) develops the production process for Products or (ii) manufactures and supplies Products by using such production process.

1.14 "Default" shall mean as defined in Section 7.2.

1.15 "Defaulting Party" shall mean as defined in Section 7.2.

1.16 "Effective Date" shall have the meaning as given on Page 2, 1st paragraph.

1.17 "FDA" shall mean the United States Food and Drug Administration, or any successor agency.

1.18 "First Commercial Sale" shall mean, with respect to any Product in any country, the first sale of such Product for value and for end-use or consumption by the general public in such country after Regulatory Approval as well as Pricing and Reimbursement Approval for such Product has been obtained in such country. For the avoidance of doubt, sales prior to receipt of all Regulatory Approvals and Pricing and Reimbursement Approvals necessary to commence regular commercial sales, such as so-called "treatment IND sales", "named patient sales" and "compassionate use sales", and sales for research or other non-commercial purposes shall not be construed as a First Commercial Sale.

1.19 "Force Majeure" shall mean any occurrence beyond the reasonable control of a Party that prevents or substantially interferes with the performance by the Party of any of its obligations hereunder.

1.20 "IND" shall mean an Investigational New Drug Application for the Product filed with the FDA pursuant to 21 C.F.R. Part 312, or any comparable filing made with a Regulatory Authority in another country (including the submission to a competent authority of a request for an authorisation concerning a clinical trial, as envisaged in Article 9, paragraph 2, of European Directive 2001/20/EC).

1.21 "Insolvent Party" shall mean as defined in Section 7.3.

1.22 "Invention" shall mean any invention, idea, innovation, enhancement, improvement or feature, whether or not patentable or registrable, together with any intellectual property rights relating thereto (including without limitation Patent Rights and rights in confidentiality and proprietary information).

1.23 "Know-How" shall mean information in whatever form, including in any electronic, tangible or intangible medium, and includes information and materials relating to Inventions and other know-how, trade secrets, data (including amongst other things all data from pre-clinical and clinical studies and other studies intended for regulatory submission), results, formulae, DNA and amino acid sequence information and developments.

1.24 "Licensed Field of Use" shall mean the treatment, prevention, diagnosis and palliation of all disease.

1.25 "Losses" shall mean as defined in Section 6.1.

1.26 "Net Sales" shall mean the amount collected by COMPANY, its Affiliates and/or its sublicensees on account of sales of Product to Third Parties in the Territory, less the following deductions:

1.26.1. sales and excise taxes and duties paid or allowed by the selling party and any other governmental charges imposed upon the production, importation, use or sale of the Products;

1.26.2. bona fide trade, quantity and cash discounts allowed on Products;

1.26.3. bona fide rebates,

1.26.4. allowances or credits to customers on account of (i) rejection or return of Product, (ii) on account of retroactive price reductions affecting the Product, and (iii) programs that provide low income, uninsured or other patients the opportunity to obtain discounted Products; and

1.26.5. freight and insurance costs, if they are included in the selling price for the product invoiced to Third Parties or if they are billed separately on an invoice, provided always that such deduction shall not be greater than the balance between the selling price actually invoiced to the Third Party and the standard selling price which would have been charged to such Third Party for such Product exclusive of freight and insurance in the respective country or in a comparable country.

In the event that Products are sold in any country in the form of a Combination Product, the Net Sales for any such Combination Product shall be computed pursuant to the Combination Product Adjustment in such country.

In the event that Products are sold to a Third-Party distributor for purposes of resale by the distributor, the distributor shall be considered a Third Party, and not a sublicensee, for purposes of determination of Net Sales, regardless of whether the distributor has entered into any sublicense with COMPANY.

Sales of a Product between COMPANY and its Affiliates or sublicensees for resale shall be excluded from the computation of Net Sales, but the subsequent resale of such Product to a Third Party shall be included within the computation of Net Sales. Any free-of-charge disposal or use of a Product for development, regulatory or marketing purposes, such as clinical trials, compassionate use or indigent patient programs, shall not be deemed a sale or disposition for purposes of calculating Net Sales.

1.27 "Non-Defaulting Party" shall have the meaning as given in Section 7.2.

1.28 "Notice of Default" shall have the meaning as given in Section 7.2.

1.29 "Party" shall mean Selexis or COMPANY, as the case may be; and "Parties" shall mean Selexis and COMPANY, collectively.

1.30 "Patent Rights" shall mean any and all of the following: (i) patent applications (including provisional patent applications) and patents (including the inventor's certificates); (ii) any substitution, extension (including patent term extensions and supplementary protection certificate), registration, confirmation, reissue, continuation, divisional, continuation-in-part, re-examination, renewal, patent of addition or the like thereof or thereto; (iii) any foreign counterparts of any of the foregoing; and (iv) any utility model applications and utility models (whether or not corresponding to any of the foregoing).

1.31 "Person" shall mean an individual, a partnership, a joint venture, a corporation, a limited liability Company, a trust, an estate, an unincorporated organization, or any other entity, or a government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity.

1.32 "Phase I Clinical Trial" shall mean a clinical trial conducted in humans which is principally intended to obtain data on the safety, tolerability, pharmacokinetic or pharmacodynamic properties of a product. Phase I shall be deemed to have commenced when the first patient in the study has been treated. Phase I shall be deemed to have completed when the last patient has completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.33 "Phase II Clinical Trial" shall mean a clinical trial conducted in humans in which the primary objective is a preliminary determination of therapeutic efficiency and/or to find an optimal dose range in patients with the disease target being studied. Phase II shall be deemed to have commenced when the first patient in the study has been treated. Phase II shall be deemed to have completed when the last patient has completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.34 "Phase III Clinical Trial" shall mean a clinical trial conducted in humans in which the primary objective is a determination of therapeutic efficiency in patients with the disease target being studied. Phase III shall be deemed to have commenced when the first patient in the study has been treated. Phase III shall be deemed to have completed when the last patient has completed his or her treatment being investigated by that clinical trial as described in its protocol, the database is locked, and data from all patients, according to protocol, has been analyzed for the primary endpoint.

1.35 "Price and Reimbursement Approval" shall mean any approvals, licences, registrations or authorisations of any supranational, national, regional, state or local Regulatory Authority or other regulatory agency, department, bureau or governmental entity, necessary to determine or set the pricing of a Product, and/or its reimbursement level by the relevant health authorities, providers or other funding institutions, at supranational, national, regional, state or local level.

1.36 "Product" shall mean any pharmaceutical preparation in final form containing the Company Protein as one of its active ingredients, such Company Protein having been manufactured using a Cell Line.

1.37 "Regulatory Approval" shall mean any approvals, licences, registrations or authorisations of any supranational, national, regional, state or local Regulatory Authority or other regulatory agency, department, bureau or governmental entity, necessary for the manufacture, marketing or sale of the Product or conduct of clinical trials in a regulatory jurisdiction, excluding Price and Reimbursement Approval.

1.38 "Regulatory Authority" shall mean (i) the FDA or (ii) any and all governmental or supranational agencies, ministries, authorities or other bodies with similar regulatory authority with respect to approval or registration of pharmaceutical or biologic products in any other jurisdiction anywhere in the world.

1.39 "Royalty Term" means with respect to each Product sold in a particular country, the period beginning on the date of First Commercial Sale of such Product in such country and terminating on the expiration of the last-to-expire or lapse of any Valid Claims covering such Product in such country.

1.40 "Selexis" shall have the meaning as given on Page 2, 1st paragraph.

1.41 "Selexis Know-How" shall mean Selexis' Confidential Information and Know-How relating to the construction and development of recombinant cell lines for the manufacture of biopharmaceutical products and existing as of the Effective Date or obtained thereafter during the term of this Agreement.

1.42 "Selexis Materials" shall mean the materials provided by Selexis to COMPANY under this Agreement and all modifications and improvements thereof made by Selexis during the Term hereof.

1.43 "Selexis Patent Rights" shall mean Patent Rights that: (i) are owned or controlled by Selexis, (ii) which are necessary or useful for the use of Selexis Materials or the construction and development of Cell Lines, or the use, manufacture and purification of the Company Protein and/or the Product, and (iii) are existing as of the Effective Date or obtained thereafter during the term of this Agreement. Without limiting the definition set forth in this Section, the Selexis Patent Rights as of the Effective Date are listed in Exhibit 1 hereto.

1.44 "Selexis Technology" shall mean the Selexis Patent Rights, Selexis Know-How and Selexis Materials.

1.45 "Taxes" shall mean all excises, taxes and duties with the exception of VAT.

1.46 "Term" shall mean as defined in Section 7.1.

1.47 "Territory" shall mean the entire world.

1.48 "Third Party" shall mean a Person other than Selexis, COMPANY or an Affiliate of Selexis or COMPANY.

1.49 "Valid Claim" shall mean any issued or granted claim of the Selexis Patent Rights that has not been revoked or held unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, that is unappealable or remains unappealed at the end of the time allowed for appeal, or that has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise.

1.50 "VAT" shall mean value added tax and any other similar turnover, sales or purchase, tax or duty levied by any other jurisdiction whether central, regional or local.

2. COMMERCIAL LICENSES

2.1 Commercial Licenses. Selexis hereby grants to COMPANY and its Affiliates a non-exclusive license ("Commercial License") in the Territory, with the right to sublicense as per Section 2.2 hereafter, under the Selexis Technology, subject to the terms and conditions of the Agreement, to use Cell Lines for the manufacture of Products in the Licensed Field of Use, either at Company facilities or Contractors (subject to Sections 2.1 and 2.2), and to make, have made, use, offer for sale, sell, import, export and otherwise exploit Products, including, without limitation, the use of Products in Clinical Trials.

2.2 Sublicenses. COMPANY may grant sublicenses under the foregoing Commercial License and/or transfer the Cell Lines and Selexis Know-How to any Third Party. For the avoidance of doubt, COMPANY shall not transfer Cell Lines to a Third Party for any purpose other than to make, have made, use, offer for sale, sell, import and otherwise exploit Products. Any agreement granting such sublicense shall be consistent with the terms, conditions and limitations of this Agreement. In any event, COMPANY is fully liable and responsible for any breach of any of its obligations hereunder committed by an Affiliate, a Collaboration Partner or Contractor, a consultant or agent to whom the Cell Line and the Selexis Technology or parts thereof are made available under any such sublicense. Selexis agrees that, to the extent (i)

provided for in each sublicense granted under this Agreement and (ii) such sublicense does not impose any obligations on Selexis in excess of those imposed on Selexis herein, all sublicenses granted with respect to the rights granted under this Agreement shall survive termination of this Agreement and will automatically be assigned to Selexis upon such termination, in order to provide for the applicable sublicensee's continued enjoyment of its rights thereunder.

2.3 Transfer of Selexis Materials. COMPANY shall **[***]**. If COMPANY makes any such transfer it shall notify Selexis within thirty (30) days of any such transfer and report the name and address of any Transferees together with confirmation that the Transferee has agreed to adhere to the obligations of confidentiality set out in this Agreement.

3. CONSIDERATION

3.1 Payments.

3.1.1. Commercial License Exercise Payment. Upon the execution of this Agreement, COMPANY shall pay Selexis the sum of **[***]**.

3.1.2. Commercial License Milestone Payments. As partial consideration for the rights and licenses granted by Selexis to COMPANY under this Agreement, COMPANY shall make the following milestone payments to Selexis within thirty (30) days after the first occurrence of such milestone events:

3.1.2.1. [***]: [***];

3.1.2.2. [***]: [***];

3.1.2.3. [***]: [***];

3.1.2.4. [***]: [***].

The payments set forth above in this Section 3.1.2 shall be payable only once for each milestone event, upon the first occurrence of such milestone event, regardless of the number of times each event occurs.

3.1.3. Commercial License Royalty Payments: In addition to the foregoing milestone payments, during the Royalty Term, COMPANY shall pay Selexis on a Product-by-Product and country-by-country basis a royalty of **[***]** of Net Sales of all Products sold worldwide. In the case where royalties are due in respect of the sale of Product

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

directly by COMPANY such royalties shall be paid for each Calendar Quarter within forty-five (45) days of the end of that Calendar Quarter. Where royalties are due in respect of the sale of Products by a sub-licensee of COMPANY, payment shall be made within ninety (90) days of the end of that Calendar Quarter. For the avoidance of doubt no royalty payments shall be due in any country after the Royalty Term has expired in such country. Where royalties are no longer due in accordance with the foregoing in respect of any Product in any country, the Commercial Licenses granted to COMPANY under this Agreement shall become perpetual, irrevocable, fully paid up and royalty free in respect of such Product in such country and notwithstanding Section 2.3, COMPANY shall have the right to transfer the Selexis Materials to any Third Party in connection with the manufacture, use and sell of such Product in such country.

3.2 Mechanism of Payment. The payments due to Selexis under this Agreement shall be made by wire transfer or electronic fund transfer (at COMPANY's discretion) to the credit and account of Selexis as follows :

Bank Name:	[***] [***] [***]
Account:	[***] [***] [***] [***]
To:	Selexis S.A. 18, chemin des Aulx 1228 Plan-les-Ouates Geneva, Switzerland

3.3 Payment Terms. Save as provided in Section 3.1.3, COMPANY shall make payments due to Selexis under this Agreement at the latest **[***]** after receipt of invoice except where such fees are due from a COMPANY licensee, in which case COMPANY shall have **[***]** after receipt of invoice to make such payments. All such fees and payments are exclusive of any applicable VAT, other taxes, duties and excises (collectively, "Taxes").

3.4 Records. COMPANY and its Affiliates shall keep (and COMPANY shall use its best endeavours to procure that its sublicensees shall keep and make available to COMPANY) true accounts of Net Sales of Products and COMPANY shall deliver to Selexis at the same time as the payments due under Section 3.1.3 a written account, including quantities of Net Sales of each such Product, broken down on a country-by-country basis in respect of those payments. Upon not less than sixty (60) days' prior written notice, Selexis is entitled to have such accounts audited by an independent expert of its choice for a period of **[***]** after receiving any such written account, solely to verify the accuracy of payments reported and paid hereunder. Such audits may be made no more than once each calendar year and during normal business hours, with reasonable efforts to minimize disruption of COMPANY'S normal business

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

activities. Such independent expert shall be bound by confidentiality terms at least as restrictive as the terms of Clause 10 of this Agreement and shall be authorized to disclose to Selexis only the amount and accuracy of payments reported and actually paid or otherwise payable under this Agreement. COMPANY shall provide access to all information reasonably requested by such expert. The cost of any audit shall be borne by Selexis unless the audit shows that COMPANY underpaid Selexis by more than two percent (2%) of the amounts due in which case the cost of the audit shall be borne by COMPANY

3.5 Taxes. **[***]** will pay **[***]** taxes levied on account of any payments made to Selexis under this Agreement (other than taxes on income, gains or profits levied against **[***]**). if any taxes are required to be withheld by Company from any payment made to Selexis under this Agreement, Company will (a) deduct such taxes from the payment made to Selexis, (b) timely pay the taxes to the proper taxing authority, and (c) send proof of payment to Selexis and certify its receipt by the taxing authority within thirty (30) days following such payment.

3.6 Single Royalty. Nothing shall oblige COMPANY or its sublicensees to pay or cause to be paid to Selexis more than one royalty on any unit of Product, irrespective of how many Selexis Patent Rights may cover such Product.

4. INTELLECTUAL PROPERTY

4.1 Ownership. Each Party shall retain the entire right and title in and to its Inventions and Know-How which exists on the Effective Date of this Agreement or which is thereafter developed independently of the performance of this Agreement.

4.2 In the event Selexis possesses, acquires, creates or is licensed any improvements to the Selexis Technology, subject to any bona fide obligations owed by Selexis to third parties (in respect of which Selexis has notified COMPANY), such improvements shall automatically be included in the Selexis Patent Rights and/or the Selexis Know-how and thereby disclosed and licensed at no extra cost to COMPANY in accordance with this Agreement.

4.3 Third Party Patent Rights. Selexis covenants that if Selexis becomes aware or reasonably determines that the practice of the Selexis Technology and/or use of the Cell Lines in order to make, have made, use, sell, offer for sale or import any Product in the Field in the Territory would, or would allegedly infringe or misappropriate any Third Party's Patent Rights, Know-How or other intellectual property rights, it shall notify COMPANY of the same within five (5) days (the "Infringement Notice"). Selexis shall use its best efforts to promptly resolve such infringement at Selexis' cost to ensure that COMPANY may exercise its rights under this Agreement without infringing or misappropriating such Patent Rights, Know-How or other intellectual property rights, including using its best efforts to obtain a license from the Third Party owner of such Patent Rights, Know-How or other intellectual property which entitles Selexis to continue to grant the rights to COMPANY set forth herein. Should such efforts not be successful, Selexis shall inform COMPANY in writing. Selexis shall be responsible for payment of any and all fees, milestones, royalties or other payments owed to any Third Party for any

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Patent Rights or Know-How or other intellectual property rights licensed or acquired by it after the Effective Date, which are necessary or useful for COMPANY to make, have made, use, sell, offer for sale or import any Product in the Field in the Territory without infringing or misappropriating a Third Party's Patent Rights, Know-How or other intellectual property right.

4.4 Enforcement of Selexis Patent Rights. If during the Term, either Party becomes aware of any infringement or potential infringement of the Selexis Technology it shall promptly notify the other Party in writing and the Parties shall consult with each other to decide the best way to respond to such infringement or misuse. Selexis covenants that if Selexis becomes aware of an infringement of the Selexis Patent Rights by Third Parties in the Licensed Field of Use, Selexis shall use its reasonable commercial efforts to prevent or enjoin such infringement.

4.5 COMPANY Intellectual Property. COMPANY shall retain all right, title and interest in (and the unrestricted right to use) any and all information, data, results, Know-How, products and the like, whether patentable or not, arising out of the conduct of the licenses granted hereunder and all intellectual property appurtenant thereto, including without limitation the Product composition or sequence and any related intellectual property. COMPANY shall have the unrestricted right to publish or otherwise disclose the results and data obtained by the practice of the Selexis Technology provided such disclosure does not include the Confidential Information of Selexis. The name of Selexis shall be given proper recognition in such publication(s) as scientifically appropriate.

4.6 Further Assurance. Each Party agrees to execute and do all things at the cost of the other Party (if not specifically agreed otherwise) as the other Party may reasonably require to give that other Party the full benefit of the provisions of this Section 4.

5. REPRESENTATIONS, WARRANTIES, AND COVENANTS

5.1 Corporate Power. Each Party hereby represents and warrants that such Party is duly organized and validly existing under the laws of the state (or country or other jurisdiction, as the context requires) of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.

5.2 Due Authorization. Each Party hereby represents and warrants that such Party is duly authorized to execute and deliver this Agreement and to perform its obligations hereunder and the person executing this Agreement on its behalf has been duly authorized to do so by all requisite corporate actions.

5.3 Binding Agreement. Each Party hereby represents and warrants that this Agreement is a legal and valid obligation binding upon it and is enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles and public policy.

5.4 No Conflicts. Each Party hereby represents and warrants that the execution, delivery and performance of this Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a Party or by which it may be bound,

nor violate any law or regulation of any court, governmental body or administrative or other agency having authority over it.

5.5 Additional Warranties by Selexis. Selexis hereby warrants, represents and covenants to COMPANY that, to the best of its knowledge:

5.5.1. As of the Effective Date, there are no Third Party intellectual property rights that may be asserted against COMPANY claiming that the use by COMPANY of the Selexis Technology under this Agreement constitutes an infringement thereof;

5.5.2. As of the Effective Date, there is no pending litigation which alleges that the use of Selexis Technology has infringed or misappropriated any of the intellectual property rights of any Third Party, and Selexis has not received any written claim that the use of Selexis Technology infringes on any intellectual property rights of a Third Party or a request or demand from any Third Party for the licensing of any intellectual property rights of such Third Party in connection with the practice of the Selexis Technology;

5.5.3. Selexis is the owner of or controls the Selexis Technology, and has the right to grant COMPANY the rights and licenses granted COMPANY under this Agreement, and will not, knowingly during the Term, grant any rights to any Third Party that would adversely affect COMPANY‘s rights or licenses granted under this Agreement.

5.5.4. The Selexis Technology is free and clear of any encumbrance, lien, mortgage, charge, restriction or liability of any kind whatsoever, whether equitable or legal, that would conflict with or impair the rights granted to COMPANY under this Agreement;

5.5.5. As of the Effective Date, none of the Selexis Patent Rights are involved in any interference or opposition proceeding, and Selexis has not received any request, demand or notice from any Third Party threatening or disclosing such a proceeding with respect to any of the Selexis Patent Rights; and

5.5.6. As of the Effective Date, Selexis has not received any statement or assertion that (i) any claim in any of the Selexis Patent Rights is, or may be or become rendered, invalid or unenforceable, (ii) any Third Party is aware of any basis as to the future potential invalidity or unenforceability of any claim of any of the Selexis Patent Rights, or (iii) the Selexis Patent Rights do not list all required inventors.

5.5.7. Any replacement Selexis Materials shall satisfy the characteristics set forth in the Selexis Report and shall be free of mycoplasma or other pathogenic contamination.

5.6 Additional Warranties by COMPANY. COMPANY hereby warrants, represents and covenants to Selexis that, to the best of its knowledge:

5.6.1. As of the Effective Date, there is no pending litigation which alleges that the use of the DNA sequence replicated by the Cell Line has infringed or misappropriated any of the intellectual property rights of any Third Party, and COMPANY has not received any claim that the use thereof infringes on any intellectual property rights of a Third Party or a request or

demand from any Third Party for the licensing of any intellectual property rights of such Third Party in connection with the use of the DNA sequence replicated by the Cell Line;

5.7 Notification. Selexis shall notify COMPANY promptly during the Term, if:

5.7.1. Selexis Patent Rights become involved in any interference or opposition proceeding, or Selexis receives any request, demand or notice from any Third Party threatening or disclosing such a proceeding with respect to any of the Selexis Patent Rights; or

5.7.2. Selexis receives any written statement or assertion that (i) any claim in any of the Selexis Patent Rights is, or may be or become rendered, invalid or unenforceable, (ii) any Third Party is aware of any basis as to the future potential invalidity or unenforceability of any claim of any of the Selexis Patent Rights, or (iii) the Selexis Patent Rights do not list all required inventors.

5.8 Disclaimer of Warranties by Selexis. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELEXIS DOES NOT MAKE ANY REPRESENTATION OR WARRANTY TO COMPANY OF ANY NATURE, EXPRESS OR IMPLIED, THAT THE SELEXIS TECHNOLOGY WILL BE USEFUL FOR, OR ACHIEVE ANY PARTICULAR RESULTS AS A RESULT OF ANY USE BY COMPANY OF THE SELEXIS TECHNOLOGY PURSUANT TO ANY LICENSE GRANTED TO COMPANY UNDER THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELEXIS SPECIFICALLY DISCLAIMS ANY WARRANTY OF NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

6. INDEMNIFICATION; LIMITATION OF LIABILITY

6.1 Indemnification by Selexis. During the Term and thereafter, Selexis hereby agrees to save, defend and hold COMPANY, its Affiliates, and their respective officers, directors, employees, consultants and agents harmless from and against any and all liability, damage, loss or expense (collectively, “Losses”) claimed by a Third Party resulting from (i) any breach of Selexis’ representations, warranties, and covenants set forth in this Agreement or (ii) the practice of licensed rights by COMPANY in accordance with this Agreement, except to the extent that such Losses result from the gross negligence or intentional misconduct of COMPANY, its Affiliates, and their respective officers, directors, employees, consultants and agents. In the event COMPANY seeks indemnification under this Section 6.1, COMPANY shall inform Selexis of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit Selexis to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at Selexis’ expense) in the defense of the claim but provided always that Selexis may not settle any such claim or otherwise consent to an adverse judgment or order in any relevant action or other proceeding or make any admission as to liability or fault without the express written permission of COMPANY.

6.2 Indemnification by COMPANY. During the Term and thereafter, COMPANY hereby agrees to save, defend and hold Selexis and its officers, directors, employees, consultants

and agents harmless from and against any and all Losses claimed by a Third Party (i) that the [***] or (ii) resulting from personal injury or damage to property caused by any Products (including breach of the warranty pursuant to clause 5.6), except to the extent that COMPANY is indemnified by Selexis in respect of those Losses pursuant to Section 6.1 or that such Losses result from the gross negligence or intentional misconduct of Selexis its Affiliates, and their respective officers, directors, employees, consultants and agents. In the event Selexis seeks indemnification under this Section 6.2, Selexis shall inform COMPANY of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit COMPANY to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at COMPANY's expense) in the defense of the claim.

6.3 Insurance. COMPANY shall maintain product liability insurance (or self-insure) in an amount consistent with industry standards; with respect to COMPANY, such insurance being in place by the time human clinical trials are initiated and maintained while clinical trials are underway or Product is offered for sale. COMPANY shall name Selexis as an additional insured with respect to such insurance. Company shall provide a certificate of insurance (or evidence of self-insurance) evidencing such coverage to Selexis upon request.

6.4 EXCEPT FOR LIABILITY FOR BREACH OF SECTION 8, NEITHER PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT OR ANY LICENSE GRANTED HEREUNDER; provided however, that this Section 6.4 shall not be construed to limit either Party's indemnification obligations under this Section 6.

6.5 Limitation of Liability. Excluding breaches of Section 8, Selexis' liability under Section 6.1 will in no event exceed [***] the aggregate amount paid to Selexis under this Agreement, and Selexis' liability otherwise under this Agreement, whether in contract or tort or otherwise, will not exceed [***] the aggregate amount paid to Selexis under this Agreement.

7. TERM AND TERMINATION

7.1 Term. This Agreement shall enter into effect on the Effective Date. Unless earlier terminated pursuant to Sections 7.2, 7.3 or 7.4 of this Agreement shall remain in full force and effect on a country-by-country and Product-by-Product basis until the expiration of the Royalty Term with respect to such Product (such period, the "Term"). Upon expiration of the Term on a country-by-country and Product-by-Product basis, the Commercial Licenses granted to COMPANY under this Agreement shall become perpetual, irrevocable, fully paid up and royalty free in respect of such Product and country, and this provision shall survive expiration or termination of this Agreement.

7.2 Termination for Default. In addition to any other remedies which may be available at law or equity, in the event of any material breach of this Agreement by a Party ("Default"), the Party not in default ("Non-Defaulting Party") shall have the right to give the

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

other Party ("Defaulting Party") written notice thereof ("Notice of Default"), which notice must state the nature of the Default in reasonable detail and request that the Defaulting Party cure such Default within [***] days. If such Default is not cured within the period set forth herein after receipt of a Notice of Default by the Defaulting Party or if such Default is not capable of being cured, then the Non-Defaulting Party, at its option, may terminate this Agreement by written notice effective upon receipt.

7.3 Termination for Bankruptcy. In the event that a Party files for protection under bankruptcy laws, files a petition under any bankruptcy or insolvency act or has such a petition filed against it which is not discharged in [***] days thereof , or makes any arrangement with its creditors or has a receiver or administrator appointed to the whole or any part of its assets or if an order shall be made or a resolution passed for its winding up unless such order or resolution is part of a scheme for its amalgamation or reconstruction ("Insolvent Party"), the other Party shall have the right to serve immediate notice of termination of this Agreement, effective upon receipt.

7.4 Termination by COMPANY. COMPANY may terminate this Agreement at any time by giving sixty (60) days written notice to Selexis.

7.5 Effects of Expiration or Termination.

7.5.1. Termination of Licenses. In the event of a termination of this Agreement by COMPANY pursuant to Section 7,2, 7.3, or 7.4 or by Selexis pursuant to Sections 7.2 or 7.3, the rights and licenses granted under this Agreement shall terminate other than those licenses which have become perpetual as described in Sections 3.1,3 and 7.1.

7.5.2. Selexis Confidential Information. Upon termination of this Agreement under Section 7.2 or 7.3 wherein COMPANY is the Insolvent Party, or Section 7.4, COMPANY shall dispose of all tangible embodiments, including Selexis Materials, and render inaccessible or useless all electronic embodiments, of Selexis Confidential Information provided to COMPANY by Selexis hereunder, except that (i) COMPANY may retain one (1) copy thereof for legal archival purposes, (ii) Company may retain any such Selexis Confidential Information to the extent necessary to exercise rights under licenses that have become perpetual as described in Sections 3.1.3 and 7.1 and (iii) sublicensees possessing sublicenses that survive such termination may possess such Selexis Confidential Information

7.5.3. COMPANY Confidential Information. Upon any expiration or termination of this Agreement, Selexis shall dispose of all tangible embodiments, and render inaccessible or useless all electronic embodiments, of COMPANY Confidential Information provided to Selexis by COMPANY hereunder, except that Selexis may retain one (1) copy thereof for legal archival purposes.

7.5.4. Accrued Obligations. Expiration or termination of this Agreement shall not relieve the Parties of any obligation or liability accruing prior to such expiration or termination and all ancillary provisions necessary for the implementation of this Section 7.5.5 shall survive termination.

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7.5.5. Survival. Sections 1, 3 (as to payments accrued during the Term under this Agreement), 4, 6, 7.1, 7.5, 8, 9, and the final sentence of Section 3.1.3 shall survive termination or expiration of this Agreement.

7.5.6. Wind Down. COMPANY and its Affiliates may continue, to the extent that COMPANY and its Affiliates continue to have an inventory of Products, to fulfill orders received from customers for Products until up to twelve (12) months after the effective date of termination. For the Products sold by COMPANY and its Affiliates after the effective date of termination, COMPANY shall continue to make payments to Selexis in accordance with Section 3.1.3.

8. CONFIDENTIALITY

8.1 Nondisclosure. During the Term, and for a period of five (5) years thereafter, each Party will maintain all Confidential Information of the other Party as confidential and will not disclose any Confidential Information to any Third Party except to its Affiliates, sublicensees, collaborators, employees, agents, consultants and other representatives, who have a need to know such Confidential Information and who are bound by obligations of confidentiality at least as restrictive as set forth herein. Each Party may use such Confidential Information only to the extent required to accomplish the purposes of this Agreement. Each Party will use at least the same standard of care as it uses to protect proprietary or confidential information of its own to ensure that its Affiliates, employees, agents, consultants and other representatives do not disclose or make any unauthorized use of the Confidential Information.

8.2 Exceptions. Confidential Information shall not include any information that the receiving Party can prove by competent evidence is:

8.2.1. now, or hereafter becomes, through no act or failure to act on the part of the receiving Party, generally known or available;

8.2.2. known by the receiving Party at the time of receiving such information, as evidenced by its records;

8.2.3. hereafter furnished to the receiving Party by a Third Party, as a matter of right and without restriction on disclosure;

8.2.4. independently developed by the receiving Party without the aid, application or use of Confidential Information; or

8.2.5. the subject of a written permission to disclose provided by the providing Party.

8.3 Authorized Disclosures. Each Party shall be permitted to disclose Confidential Information of the other Party:

8.3.1. to the extent that such Confidential Information is required to be disclosed to comply with applicable laws or regulations (such as disclosure to the United States Securities

and Exchange Commission or to comply with the request or order of any applicable Regulatory Authority, whether or not having the force of law) or with a court or administrative order; provided however, that such Party shall first have given written notice of such required disclosure to the other Party, shall make reasonable efforts to narrow the scope of Confidential Information of the other Party required to be disclosed, and shall take reasonable steps to allow the other Party at its own expense to seek a protective order to protect the confidentiality of the Confidential information required to be disclosed;

8.3.2. solely on a need-to-know basis to potential or actual acquirers, merger partners, or assignees permitted under Section 9.1, investment bankers, investors, lenders, or other potential financial partners, and their and each of the Parties' respective directors, employees, contractors and agents, each of whom prior to disclosure must be bound by written obligations of confidentiality and non-use no less restrictive than the obligations set forth in this Article 8 and for their use solely in connection with evaluating the potential acquisition or investment; and

8.3.3. to establish rights or enforce obligations under this Agreement, but only to the extent such disclosure is necessary and provided that such Party seeks confidential treatment of the Confidential Information to be disclosed.

9. MISCELLANEOUS

9.1 Assignment. Neither this Agreement nor any interest hereunder shall be assignable by either Party without the prior written consent of the other Party; provided, that either Party may assign this Agreement and all of its rights and obligations hereunder, without such consent, to an entity which acquires all or substantially all of the business or assets of such Party (or the business or assets to which this Agreement pertains) whether by merger, consolidation, reorganization, acquisition, sale, license or otherwise; and COMPANY may assign this Agreement and all of its rights and obligations hereunder, without such consent, to an Affiliate if COMPANY remains liable and responsible for the performance and observance of all of the Affiliate's duties and obligations hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of such Party's successors and permitted assigns to the extent necessary to carry out the intent of this Agreement. Any assignment not in accordance with this Section 9.1 shall be null and void.

9.2 Compliance with Governmental Obligations. Each Party shall comply, upon reasonable notice from the other Party, with all governmental requests directed to either Party and provide all information and assistance necessary to comply with the governmental requests.

9.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which need not contain the signature of more than one Party but all such counterparts taken together shall constitute one and the same agreement, and may be executed through the use of facsimiles.

9.4 Dispute Resolution. The Parties agree that in the event of a dispute between them arising from, concerning or in any way relating to this Agreement, the Parties shall undertake good faith efforts to resolve any such dispute in good faith with the matter being referred at the request of either Party to the general counsel for each Party and, if remaining unresolved after thirty (30) days, then to the chief executive officers of each Party (or their designees). If after ninety (90) days of the matter first being referred to the general counsel the Parties are unable to resolve such dispute, either Party may seek any remedy available pursuant to Section 9.8 of this agreement.

9.5 Entire Agreement. This Agreement (including the Exhibits attached hereto, which are incorporated herein by reference) sets forth all of the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto with respect to the subject matter hereof; constitutes and contains the complete, final, and exclusive understanding and agreement of the Parties with respect to the subject matter hereof; and cancels, supersedes and terminates all prior agreements and understanding between the Parties with respect to the subject matter hereof. There are no covenants, promises, agreements, warranties, representations conditions or understandings, whether oral or written, between the Parties other than as set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

9.6 Force Majeure. Neither Party shall be liable to the other for loss or damages for any default or delay attributable to any Force Majeure, if the Party affected shall give prompt notice of any such cause to the other Party. The Party giving such notice shall thereupon be excused from such of its obligations hereunder as it is thereby disabled from performing for so long as it is so disabled, provided, however, that such affected Party commences and continues to take reasonable and diligent actions to cure such cause; and provided further that if any Force Majeure delays or prevents the performance of the obligations of either Party for a continuous period in excess of six (6) months, the Party not so affected shall then be entitled to give notice to the affected Party to terminate this Agreement, specifying the date (which shall not be less than thirty (30) days after the date on which the notice is given) on which termination will take effect. Such a termination notice shall be irrevocable, except with the consent of both parties, and upon termination the provisions of Section 9.5 shall apply.

9.7 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of the Agreement.

9.8 Governing Law and Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of Massachusetts. In relation to any legal action or proceedings arising out of or in connection with this Agreement (“Proceedings”), each of the Parties irrevocably submits to the exclusive jurisdiction of the state and federal courts located in Boston, Massachusetts, and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.

9.9 Independent Contractors. The relationship between Selexis and COMPANY created by this Agreement is one of independent contractors and neither Party shall have the power or authority to bind or obligate the other Party except as expressly set forth in this Agreement.

9.10 Interpretation of Agreement. Article and other descriptive headings used in this Agreement are for reference purposes only and shall not constitute a part hereof or affect the meaning or interpretation of this Agreement. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa.

9.11 License Obligations; Rights in Bankruptcy. Nothing in this Agreement imposes any obligation upon a Party to enter into any other license or agreement with the other Party. All rights and licenses granted under or pursuant to this Agreement by Selexis are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code (i.e., Title 11 of the U.S. Code) or analogous provisions of applicable law outside the United States, licenses of rights to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code or analogous provisions of applicable laws outside the United States. The Parties agree that (i) either Party shall be entitled, to the full extent permitted by applicable bankruptcy law, to elect to retain of its rights as a licensor or licensee respectively, in the event that the other Party files for bankruptcy in any jurisdiction or has any petition for bankruptcy filed against it, and (ii) either Party may, to the fullest degree permitted by applicable bankruptcy law, exercise all of its rights and elections under the relevant bankruptcy law, including but not limited to retention of its rights as a licensor or licensee respectively, regardless of whether either Party files for bankruptcy in the United States or any other jurisdiction or has any petition for bankruptcy filed against it.

9.12 Non-Disclosure. Except as otherwise required by law or regulation, and only after compliance with this Section 9.12, neither Party shall issue a press release or make any other disclosure of the existence of or the terms of this Agreement, or otherwise use the name or trademarks or products of the other Party or the names of any employee thereof, without the prior approval of such press release or disclosure by the other Party. However if, in the reasonable opinion of such Party's counsel, a public disclosure shall be required by law, regulation, or court order, including without limitation in a filing with the United States or Europe Securities and Exchange Commission or the United States Food and Drug Administration or the European Medicines Agency, the disclosing Party shall provide copies of the disclosure reasonably in advance of such filing or other disclosure for the non-disclosing Party's prior review and comment, and the non-disclosing Party shall provide its comments as soon as practicable. Notwithstanding the foregoing, either Party may disclose the existence of and the terms of this Agreement solely on a need-to-know basis to potential or actual acquirers, merger partners, or assignees permitted under Section 9.1, investment bankers, investors, lenders, or other potential financial partners, and their and each of the Parties' respective directors, employees, contractors and agents, each of whom prior to disclosure must be bound by written obligations of confidentiality and non-use no less restrictive than the obligations set forth in Article 8 and for their use solely in connection with evaluating the potential acquisition or investment. No disclosure permitted by this Section 9.12 shall contain any Confidential Information of the other Party unless otherwise permitted in accordance with Section 8 herein.

9.13 Notices. All notices and other communications required by this Agreement shall be in writing in the English language and shall be deemed given if delivered personally or by facsimile transmission (receipt verified), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by express courier service, to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice, provided, however, that notices of a change of address shall be effective only upon receipt thereof):

	To Company	**Selexis**
Address:	Coherus BioSciences, Inc. 201 Redwood Shores Parkway, Suite 200 Redwood City, CA 94085	Selexis S.A. 18 Chemin des Aulx 1228 Plan-les-Ouates Geneva, Switzerland
Attention:	Chief Executive Officer	General Assistant
With a copy to:	Chief Business Officer Facsimile: +1 650 521-5910	Chief Executive Officer +41 22 308-9361

or to such addresses or addresses as the Parties hereto may designate for such purposes during the Term. Notices shall be deemed to have been sufficiently given or made: (i) if by facsimile with confirmed transmission, when performed, and (ii) if by air courier upon receipt by the Party.

9.14 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of COMPANY and Selexis (and their permitted successors and assigns) and nothing in this Agreement (express or implied) is intended to or shall confer upon any Third Party any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

9.15 Severability. If any term, covenant or condition of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be held to be invalid or unenforceable, then the remainder of this Agreement, or the application of such term, covenant or condition to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

9.16 Use of Name. No right, express or implied, is granted to either Party by this Agreement to use in any manner any trademark or trade name of the other Party including the names “Coherus” and “Selexis” without the prior written consent of the owning Party.

9.17 Waiver. The failure on the part of a Party to exercise or enforce any rights conferred upon it hereunder shall not be deemed to be a waiver of any such rights nor operate to bar the exercise or enforcement thereof at any time or times hereafter.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

In Witness Whereof, the Parties, having read the terms of this Agreement and intending to be legally bound hereby, do hereby execute this Agreement.

SELEXIS S.A.

By: /s/ Regine Brokamp
Name: Regine Brokamp
Title: Chief Operating Officer
Date: July 18, 2012

By: /s/ Pierre-Alain Girod
Name: Pierre-Alain Girod
Title: Chief Scientific Officer
Date: July 18, 2012

COHERUS BIOSCIENCE., INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and CEO
Date: June 25, 2012

EXHIBIT 1

SELEXIS PATENT RIGHTS

Patent 1.

Title	[***]
Priority date	[***]
Priority ID	[***]
Publication ID	[***]
Geographies	[***]
Status	[***]

Patent 2.

Title	[***]
Priority date	[***]
Priority ID	[***]
Publication ID	[***]
Geographies	[***]

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EXHIBIT 2 COMMERCIAL LICENSE FOR **[***]**

COMPANY Product Name:	**[***]**
AA Sequence - Light Chain	**[***]**
AA Sequence - Heavy Chain	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.7

Execution Version

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

COHERUS BIOSCIENCES, INC.,

COHERUS INTERMEDIATE CORP.,

COHERUS ACQUISITION CORP.,

INTEKRIN THERAPEUTICS INC.,

AND

FORTIS ADVISORS LLC

Dated as of January 8, 2014

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of January 8, 2014, by and among COHERUS BIOSCIENCES, INC., a Delaware corporation ("Parent"), COHERUS INTERMEDIATE CORP., a Delaware corporation ("Acquisition HoldCo"), COHERUS ACQUISITION CORP., a Delaware corporation ("Acquisition Corp."), INTEKRIN THERAPEUTICS INC., a Delaware corporation (the "Company") and FORTIS ADVISORS LLC, a Delaware limited liability company, solely in its capacity as the Stockholders' Representative. Certain capitalized terms used in this Agreement have the meanings ascribed to them in Article X.

RECITALS

A. The Company is a Delaware corporation with its principal executive offices located at 555 Bryant Street, Suite 266, Palo Alto, CA 94301.

B. Parent is a Delaware corporation with its principal executive offices located at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065. Acquisition HoldCo is a newly formed wholly-owned direct subsidiary of Parent. Acquisition Corp. is a wholly-owned direct subsidiary of Acquisition HoldCo and was formed to merge with and into the Company (the "Merger") so that, as a result of the Merger, the Company will survive and become a wholly-owned direct subsidiary of Acquisition HoldCo and a wholly-owned indirect subsidiary of Parent.

C. The respective Boards of Directors of Parent, Acquisition HoldCo, Acquisition Corp. and the Company have determined that this Agreement and the consummation of the Merger in accordance with the laws of the State of Delaware and subject to the terms and conditions of this Agreement, is advisable and in the best interests of Parent, Acquisition, HoldCo, Acquisition Corp. and the Company and their respective stockholders.

D. Acquisition HoldCo, in its capacity as the sole stockholder of Acquisition Corp., has approved Acquisition Corp.'s execution of this Agreement and consummation of the Merger.

E. As a condition and inducement to Parent's willingness to enter into this Agreement, concurrently with the execution of this Agreement, each of the Persons identified on Exhibit A have entered into a Voting and Release Agreement substantially in the form attached hereto as Exhibit B (the "Voting and Release Agreement"), which Voting and Release Agreement shall provide for, among other things, such Person's approval of the Merger and agreement to vote its shares of common stock, par value $0.0001 per share, of the Company ("Company Common Stock") and its shares of Series 1 Preferred Stock, par value $0.0001 per share, of the Company (the "Company Preferred Stock" and together with the Company Common Stock, the "Company Capital Stock") in a manner consistent with such approval and agreement to waive such Person's rights to dissent from the Merger and the other transactions contemplated hereby under Section 262 of the Delaware General Corporation Law (the "DGCL").

F. Parent, Acquisition HoldCo, Acquisition Corp., and the Company desire to make certain representations and warranties, covenants and agreements in connection with the Merger and also to set forth the terms and conditions of the Merger, all as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I THE MERGER; ADDITIONAL ACTIONS.

Section 1.1. The Merger. At the Effective Time, upon the terms and subject to the conditions of this Agreement, Acquisition Corp. shall be merged with and into the Company in accordance with the provisions of the DGCL. The Company shall be the surviving corporation in the Merger (the "Surviving Corporation"). As a result of the Merger, all of the respective outstanding shares of capital stock or any securities exchangeable or convertible into capital stock of the Company and Acquisition Corp. shall be converted or cancelled in the manner provided in Article II.

Section 1.2. Effective Time. At the Closing, a certificate of merger (the "Certificate of Merger") shall be duly prepared and executed by the Company and Acquisition Corp. and thereafter delivered to the Secretary of State of the State of Delaware (the "Secretary of State") for filing, as provided in Section 251 of the DGCL, on the Closing Date. The parties shall make all other filings required under the DGCL, and the Merger shall become effective at the time of the filing of the Certificate of Merger with the Secretary of State, or at such later time as may be agreed by Parent and the Company and stated in the Certificate of Merger (the date and time of such filing (or stated later time, if any) being referred to herein as the "Effective Time").

Section 1.3. Closing. The closing of the Merger (the "Closing") shall take place at the offices of Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025-1008, on a date and at a time to be specified by the parties, which shall in no event be later than 10:00 a.m., local time, on the second business day following satisfaction of the conditions set forth in Article VI, other than those conditions that by their nature cannot be satisfied until the Closing, but subject to the fulfillment or waiver of those conditions, unless this Agreement has been theretofore terminated pursuant to its terms, or on such other date, time and place as the parties may mutually agree (the "Closing Date"). At the Closing there shall be delivered to Parent, Acquisition Corp. and the Company the certificates and other documents and instruments required to be delivered under Article VI.

Section 1.4. Effects of the Merger. At the Effective Time, the effects of the Merger shall be as provided in the applicable provisions of the DGCL.

Section 1.5. Certificate of Incorporation, By-Laws and Officers and Directors of the Surviving Corporation.

(a) The certificate of incorporation of the Company, as in effect immediately prior to the Effective Time, shall be amended at and as of the Effective Time so as to read in its entirety as set forth in Exhibit C and, as so amended, shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided by law and such certificate of incorporation.

(b) The by-laws in the form set forth in Exhibit D shall be the by-laws of the Surviving Corporation at and as of the Effective Time until thereafter amended as provided by law, the certificate of incorporation of the Surviving Corporation and such by-laws.

(c) From and after the Effective Time, the directors and officers of the Surviving Corporation shall be as set forth on Exhibit E hereto, until their respective successors are duly elected and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's certificate of incorporation and by-laws.

Section 1.6. Further Assurances. Each party hereto shall execute such further documents and instruments and take such further actions as may reasonably be requested by one or more of the others to consummate the Merger, to vest the Surviving Corporation with full title to all assets, properties, rights, approvals, immunities and franchises of Acquisition Corp. and the Company or to otherwise effect the purposes of this Agreement.

ARTICLE II CONVERSION OF SHARES.

Section 2.1. Conversion of Capital Stock. Subject to the terms and conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any further action on the part of any holder of Company Capital Stock:

(a) Capital Stock of Acquisition Corp. Each issued and outstanding share of the common stock, par value $0.0001 per share, of Acquisition Corp. ("Acquisition Common Stock") shall be converted into and become one fully paid and nonassessable share of common stock, par value $0.0001 per share, of the Surviving Corporation ("Surviving Corporation Common Stock"). Each certificate representing outstanding shares of Acquisition Common Stock shall at the Effective Time represent an equal number of shares of Surviving Corporation Common Stock.

(b) Cancellation of Treasury Stock and Stock Owned by Parent and Acquisition Corp. All shares of Company Capital Stock that are owned by the Company as treasury stock and any shares of Company Capital Stock owned by Parent, Acquisition HoldCo or Acquisition Corp. or by any direct or indirect wholly-owned subsidiary of Parent, Acquisition HoldCo or Acquisition Corp. automatically shall be cancelled and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Conversion of Company Capital Stock; Payment of Merger Consideration. All shares of Company Capital Stock (but excluding shares to be cancelled in accordance with Section 2.1(b)) shall no longer be outstanding and shall be cancelled automatically and shall cease to exist, and each holder of a certificate representing any such shares of Company Capital Stock shall cease to have any rights with respect thereto, except the right to receive, without interest, the portion of the Acquisition Price as reflected on Exhibit F (which shall account for the portion of the Acquisition Price payable to the Management Incentive Grant Recipients pursuant to Section 2.9) plus the Earn Out Payment, if any, and Compound Transaction Payments, if any, to be paid to such Person pursuant to Section 2.2 (and which shall be further subject to Sections 2.4 and 2.6 with respect to whether such Person shall receive such merger consideration in the form of cash or shares of Parent Series B Preferred or Parent Common Stock, as applicable), upon the surrender of such certificate in accordance with Section 2.4; provided that in no event shall the Acquisition Price plus the Earn Out Payment and any Compound Transaction Payments exceed the Merger Consideration Cap. Exhibit F is attached hereto and sets forth: (i) the name of each Stockholder and Management Incentive Grant Recipient, reflecting the Company's good faith determination, based upon representations and warranties of the applicable Person to the extent available, as to the "accredited investor" status of each Stockholder and Management Incentive Grant Recipient as of the date of this Agreement; (ii) the number of shares or the amount of cash constituting the portion of the Acquisition Price payable pursuant to this Section 2.1(c) and Section 2.9 to each Stockholder and Management Incentive Grant Recipient, respectively, at Closing (which form of consideration shall be determined with respect to such Person in accordance with Sections 2.4 and 2.6); (iii) the number of shares or the amount of cash constituting the portion of the Acquisition Price to be withheld from each Stockholder and Management Incentive Grant Recipient pursuant to Section 2.3(b) as Indemnity Escrow Funds; (iv) the number of shares and amount of cash constituting the portion of the Earn Out Funds to be paid to each Stockholder and Management Incentive Grant Recipient upon the occurrence of the Earn Out Event pursuant to Section 2.2 (which form of consideration shall be determined with respect to such Person in accordance with Sections 2.4 and 2.6); and (v) the maximum amount of Compound Transaction Payments, if any, payable to each Stockholder and Management Incentive Grant Recipient, pursuant to Section 2.2(b). If necessary, an updated Exhibit F shall be delivered by the Company at least two (2) business days before the Closing setting forth the information described in the immediately preceding sentence, updated, if necessary, to reflect the good faith joint determination of Parent and the Company as to the "accredited investor" status of the Stockholders and Management Incentive Grant Recipients as reflected on the Accredited Investor List.

(d) Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, each outstanding share of Company Capital Stock (the holder of which has not voted in favor of the Merger or consented thereto in writing and has perfected such holder's right to an appraisal of such holder's shares in accordance with the applicable provisions of the DGCL and has not effectively withdrawn or lost such right to appraisal (in each case, a "Dissenting

Share")) shall not be converted into or represent a right to receive the applicable Acquisition Price, the Earn Out Payment, if any, or Compound Transaction Payments, if any, otherwise payable on such share pursuant to Section 2.2 (which form of consideration shall be determined with respect to such Person in accordance with Sections 2.4 and 2.6), but rather the holder thereof shall be entitled only to such rights as are granted by the applicable provisions of the DGCL; provided, however, that any Dissenting Share held by a Person at the Effective Time who shall, after the Effective Time, withdraw the demand for appraisal or lose the right of appraisal, in either case pursuant to the DGCL, shall be deemed to be converted into, as of the Effective Time, the right to receive the Acquisition Price applicable to such shares pursuant to Section 2.1(c) plus the Earn Out Payment, if any, and Compound Transaction Payments, if any, to be paid on such shares in accordance with Section 2.2 (which form of consideration shall be determined with respect to such Person in accordance with Sections 2.4 and 2.6). The Company shall give Parent (x) prompt notice of any written demands for appraisal, withdrawals of demands for appraisal and any other instruments served pursuant to the applicable provisions of the DGCL relating to the appraisal process received by the Company and (y) prompt notice of and the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal under the DGCL. The Company will not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal or settle or offer to settle any such demands prior to the Effective Time.

(e) Treatment of Options. Prior to the date hereof, the Board of Directors of the Company (or, if appropriate, any committee thereof) has adopted appropriate resolutions and taken all other actions necessary to provide that each outstanding stock option (each an "Option") heretofore granted under the Company's Amended and Restated 2005 Equity Incentive Plan, as amended to date (the "Company Stock Plan"), whether or not currently vested or exercisable at the Effective Time, and which remains outstanding immediately prior to the Effective Time, shall be cancelled, no longer be outstanding and cease to represent the right to acquire shares of Company Common Stock. The Company Stock Plan (or other plan, program or arrangement) providing for the issuance or grant of any other interest in respect of the capital stock of the Company shall terminate upon the Effective Time.

Section 2.2. Earn Out Event; Compound Transaction Agreement.

(a) Earn Out Event; Earn Out Funds. Upon the occurrence of the Earn Out Event, Parent shall: (i) within five (5) days of such occurrence provide the Stockholders' Representative with written notice thereof in accordance with Section 11.5 of this Agreement; and (ii) cause the Exchange Agent to pay to each Stockholder (other than holders of Dissenting Shares) and Management Incentive Grant Recipient (subject to Section 2.9), such Person's applicable pro rata amount of the Earn Out Funds as set forth on Exhibit F hereof. For clarity, the Earn Out Event may only occur once.

(b) Compound Transaction Agreement; Compound Transaction Revenue; Compound Transaction Payments. Upon the execution of (i) any license, sublicense, development, collaboration, joint venture, partnering or similar agreement between Parent (or its Affiliate) and a third party pursuant to which Parent (or its Affiliate) has granted to such third party the right (whether or not exclusive) to make, have made, use, have used, sell, have sold, offer to sell, import or have imported, market or distribute the Compound; or (ii) any agreement between Parent (or its Affiliate) and a third party to sell all or substantially all of the assets related to the Compound to such third party ((i) and (ii) shall individually be known as a "Compound Transaction Agreement"), Parent shall: (A) within five (5) days of such execution provide the Stockholders' Representative with written notice thereof in accordance with Section 11.5 of this Agreement, which notice shall include the applicable percentage to be used to determine such Compound Transaction Payments payable to the Stockholders and Management Incentive Grant Recipients pursuant to such Compound Transaction Agreement (such percentage to be determined as set forth in Exhibit G), (B) on or before twenty (20) days following the actual receipt of any Compound Transaction Revenue, deposit with the Exchange Agent, for the benefit of the Stockholders (other than holders of Dissenting Shares) and Management Incentive Grant Recipients, the applicable Compound Transaction Payments (less any amount thereof, if any, which would otherwise have been payable to holders of Dissenting Shares) by wire transfer of immediately available funds if such Compound Transaction Revenue is in the form of cash, or by transfer of property or other non-cash form of such Compound Transaction Revenue if such Compound Transaction Revenue is in the form of property or other non-cash form and (C) cause the Exchange Agent to pay to each Stockholder (other than holders of Dissenting Shares) and Management Incentive Grant Recipients, a cash amount or a portion of property or other non-cash form of Compound Transaction Revenue, in each case equal to such Stockholder's and Management Incentive Grant Recipient's applicable percentage as set forth on Exhibit F hereof. If Compound Transaction Revenue includes property or other non-cash consideration, Parent and Stockholders' Representative shall discuss in good faith the method and timing of distribution of such property or other non-cash consideration following the execution of the applicable Compound Transaction Agreement, including whether or not Stockholders and Management Incentive Grant Recipients are eligible to receive any non-cash consideration pursuant to applicable securities Laws.

(c) Definitions. For the purposes of this Agreement,

(i) "Earn Out Funds" shall mean an aggregate amount equal to two million five hundred thousand dollars ($2,500,000), payable in a combination of (1) shares of Series B preferred stock, par value of $0.0001 per share, of Parent ("Parent Series B Preferred") (less the number of shares of Parent Series B Preferred thereof, if any, which would otherwise have been payable to holders of Dissenting Shares) based on a Parent Series B Preferred price of $4.1841 per share, as set forth on Exhibit F hereof; provided that if the outstanding shares of Parent Series B Preferred have been converted into shares of common stock, par value of $0.0001 per share, of Parent ("Parent Common Stock ") pursuant to the terms of Parent's then-current certificate of incorporation, "Earn Out Funds" shall instead refer, as applicable, to shares of Parent Common Stock issuable in connection with such conversion; and (2) cash, which form of consideration shall be determined with respect to any Person in accordance with Sections 2.4 and 2.6.

(ii) any distribution made by Parent pursuant to Section 2.2(a) shall hereinafter be referred to as an "Earn Out Payment"; and

(iii) any distributions made by Parent pursuant to Section 2.2(b) shall hereinafter be referred to individually as a "Compound Transaction Payment" and collectively, as the "Compound Transaction Payments"; and

(iv) the occurrence of Surviving Corporation's or Parent's first dosing of a human subject in the first Phase 2 Clinical Trial for the Compound shall hereinafter be referred to as the "Earn Out Event"; and

(v) "Compound Transaction Revenue" as used in this Agreement shall have the meaning set forth in Exhibit G; and

(vi) "Diligent Efforts" means the efforts and resources which would be used (including the promptness in which such efforts and resources would be applied) by Parent or the Surviving Corporation consistent with the level of efforts and resources standard in the pharmaceutical industry with respect to a product or potential product at a similar stage in its development or product life taking into account efficacy, safety, commercial value, the competitiveness of alternative products of third parties that are in the marketplace or under development, and the patent and other proprietary position of such product.

(d) Operation of the Business. The Parties understand and agree that Parent shall have complete discretion with respect to all decisions related to the research, development, manufacture, marketing, pricing and distribution of the Compound and the business of the Surviving Corporation and Parent; provided, however, that (i) Parent shall take and shall cause Surviving Corporation to take all steps necessary to achieve the Earn Out Event unless otherwise consented to in writing by the Stockholders' Representative; and (ii) Parent shall use and cause Surviving Corporation to use Diligent Efforts to achieve, negotiate and execute Compound Transaction Agreements and earn Compound Transaction Revenue.

Section 2.3. Deposits of Securities at Closing; Escrow Fund.

(a) On or before the Closing Date, Parent shall deposit with the Exchange Agent for the benefit of the Stockholders and Management Incentive Grant Recipients, for exchange in accordance with this Article II, through the Exchange Agent, cash and certificates representing the shares of Parent Series B Preferred (such cash and certificates for shares of Parent Series B Preferred being hereinafter referred to as the "Exchange Fund") payable and issuable, as applicable, pursuant to Section 2.1 as (i) the Acquisition Price and (ii) the Earn Out Funds. The Exchange Agent shall, pursuant to irrevocable instructions, deliver out of the Exchange Fund the appropriate amounts of cash and shares of Parent Series B Preferred contemplated to be paid and issued, as applicable, pursuant to Section 2.1 and the Earn Out Payment contemplated to be distributed pursuant to Section 2.2(a), if any. The Exchange Fund shall not be used for any other purpose.

(b) A portion of the Exchange Fund equal to one million dollars ($1,000,000), which shall be comprised of a combination of (1) shares of Parent Series B Preferred based on a Parent Series B Preferred price of $4.1841 per share and (2) cash, which form of consideration shall be determined with respect to any Person in accordance with Sections 2.4 and 2.6 (collectively, the "Indemnity Escrow Funds"), shall be used to satisfy payment in respect of claims made by the Buyer Indemnified Parties in accordance with Section 7.8 hereof. At the Closing, the Exchange Agent, Acquisition Corp., the Company and the Stockholders' Representative shall enter into a mutually acceptable escrow agreement containing the terms and conditions under which the Indemnity Escrow Funds will be held and released (the "Escrow Agreement").

Section 2.4. Exchange of Certificates and Options.

(a) Exchange Procedures.

(i) As soon as reasonably practicable (and in any event not later than five (5) business days) after the Effective Time, the Surviving Corporation shall cause to be mailed to each Management Incentive Grant Recipient, to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Company Capital Stock (the "Certificates") whose shares are converted in accordance with Section 2.1(c) into the right to receive the Applicable Acquisition Price plus the Earn Out Payment, if any, and Compound Transaction Payments, if any, to be paid to each Management Incentive Grant Recipient and such holder in accordance with Section 2.2 of this Agreement, (A) a letter of transmittal in a form customary for transactions of a similar nature and reasonably acceptable to the Company, Parent and the Exchange Agent (the "Letter of Transmittal") and (B) customary instructions for use in effecting the surrender of the Certificates, if and as the case may be, in exchange for (or in the case of a Management Incentive Grant Recipient who does not hold any Company Capital Stock, instructions for the receipt of) the portions of the Acquisition Price and Earn Out Funds, if any, deposited with the Exchange Agent and Compound Transaction Payments, if any, in accordance with Section 2.2 of this Agreement.

(ii) Upon surrender of a Certificate to the Exchange Agent, if and as applicable, together with a Letter of Transmittal, duly executed and completed in accordance with its terms, each Management Incentive Grant Recipient and holder of such Certificate who:

(1) has certified as to their "accredited investor" status pursuant to Section 2.6 shall be entitled to receive in exchange therefor, (A) in the case of an Management Incentive Grant Recipient, such portion of the aggregate Acquisition Price which such Management Incentive Grant Recipient has the right to receive in accordance with Section 2.1(c) and in an amount with respect to such Management Incentive Grant Recipient as set forth on Exhibit F payable in shares of Parent Series B Preferred, plus the right to receive the Earn Out Payment, if any, payable in shares of Parent Series B Preferred (or Parent Common Stock, as applicable), and Compound Transaction Payments, if any, in accordance with Section 2.2 and Exhibit F of this Agreement, and (B) in the case of a Certificate, such portion of the aggregate Acquisition Price per share of Company Capital Stock represented thereby which such holder

has the right to receive in accordance with Section 2.1(c) and in an amount with respect to such holder as set forth on Exhibit F payable in shares of Parent Series B Preferred, plus the right to receive the Earn Out Payment, if any, payable in shares of Parent Series B Preferred (or Parent Common Stock, as applicable), and Compound Transaction Payments, if any, in accordance with Section 2.2 and Exhibit F of this Agreement, and the Certificate so surrendered shall forthwith be cancelled; or

(2) has not certified as to their "accredited investor" status pursuant to Section 2.6 shall be entitled to receive in exchange therefor, (A) in the case of an Management Incentive Grant Recipient, such portion of the aggregate Acquisition Price which such Management Incentive Grant Recipient has the right to receive in accordance with Section 2.1(c) and in an amount with respect to such Management Incentive Grant Recipient as set forth on Exhibit F payable in cash, plus the right to receive the Earn Out Payment, if any, payable in cash, and Compound Transaction Payments, if any, in accordance with Section 2.2 and Exhibit F of this Agreement, and (B) in the case of a Certificate, such portion of the aggregate Acquisition Price per share of Company Capital Stock represented thereby which such holder has the right to receive in accordance with Section 2.1(c) and in an amount with respect to such holder as set forth on Exhibit F payable in cash, plus the right to receive the Earn Out Payment, if any, payable in cash, and Compound Transaction Payments, if any, in accordance with Section 2.2 and Exhibit F of this Agreement, and the Certificate so surrendered shall forthwith be cancelled.

(iii) If any Acquisition Price is to be remitted to a person whose name is other than that in which the Certificate for shares of Company Capital Stock surrendered for exchange is registered, it shall be a condition of such exchange that the Certificate so surrendered shall be properly endorsed, with signature guaranteed, or otherwise in proper form for transfer, and that the person requesting such exchange shall have paid any transfer and/or other taxes required by reason of the remittance of Acquisition Price to a person whose name is other than that of the registered holder of the Certificate surrendered, or the person requesting such exchange shall have established to the satisfaction of the Surviving Corporation that such tax either has been paid or is not applicable. Except as otherwise provided in this Agreement, in no event shall any Management Incentive Grant Recipient or the holder of any Certificate be entitled to receive interest on any funds to be received in the Merger. Until surrendered as contemplated by this Section 2.4(a), each Certificate (other than Certificates representing Dissenting Shares) shall be deemed at all times after the Effective Time to represent only the right to receive the Acquisition Price plus the right to receive the Earn Out Payment, if any, and Compound Transaction Payments, if any, in accordance with Section 2.2 of this Agreement.

(iv) The good faith joint determination of Parent and the Company shall be conclusive and binding as to whether or not any Management Incentive Grant Recipient or holder of a Certificate has certified as to their "accredited investor" status pursuant to Section 2.6 and as to whether or not such Person is entitled to receive any payment pursuant to this Agreement in the form of cash or shares of Parent Series B Preferred (or Parent Common Stock, as applicable).

(b) No Further Ownership Rights in Company Capital Stock. From and after the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Capital Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be cancelled and exchanged as provided in this Article II.

(c) Termination of Exchange Fund. Other than the Indemnity Escrow Funds, any portion of the Exchange Fund attributable to the Acquisition Price which remains undistributed to the Stockholders for six (6) months after the Effective Time or with respect to the portion of the Exchange Fund attributable to the Earn Out Payment, six (6) months after the occurrence of the Earn Out Event, or with respect to Compound Transaction Payments deposited by Parent with the Exchange Agent in accordance with this Article II which remains undistributed to the Stockholders for six (6) months after the receipt of the Compound Transaction Revenue by the Exchange Agent, shall be delivered to Parent, upon demand, and any Stockholders and Management Incentive Grant Recipients who have not theretofore complied with this Article II shall thereafter look only to Parent (subject to abandoned property, escheat and other similar laws) as general creditors for payment of their claim for the applicable Acquisition Price, the Earn Out Payment, if any, or Compound Transaction Payments, if any, to be received in accordance with this Article II. Neither Parent nor the Surviving Corporation shall be liable to any Stockholder or Management Incentive Grant Recipient for cash or shares representing any portion of the Acquisition Price, the Earn Out Payment or Compound Transaction Payments delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Section 2.5. Stockholders' Representative.

(a) The Stockholders and Management Incentive Grant Recipients, by adopting this Agreement and the transactions contemplated hereby, irrevocably appoint the Stockholders' Representative as their agent and attorney-in-fact for purposes of (i) the determination of the level of effort applied by Parent or the Surviving Corporation in the operation of the business pursuant to Section 2.2(d), (ii) the determination of the occurrence of the Earn Out Event pursuant to Section 2.2, (iii) the determination of the execution of a Compound Transaction Agreement, (iv) the resolution of any disputes related to the occurrence of the Earn Out Event or the execution of a Compound Transaction Agreement, including the timing thereof, (v) the resolution of any disputes for which a Buyer Indemnified Party or Stockholder Indemnified Party may seek indemnification or offset pursuant to Article VII, (vi) the enforcement of any rights the Stockholders or Management Incentive Grant Recipients may have against Parent or the Surviving Corporation under this Agreement, (vii) amendments to this Agreement pursuant to Section 11.6 and (viii) to do or refrain from doing any further act or deed on behalf of the Stockholders and Management Incentive Grant Recipients which the Stockholders' Representative deems necessary or appropriate in his, her or its sole discretion relating to the subject matter of this Agreement and the Escrow Agreement. By virtue of the approval of the Merger and this Agreement by the Stockholders, or with respect to the execution

and delivery of a Letter of Transmittal as to the Management Incentive Grant Recipients and without any further action of any of the Stockholders and Management Incentive Grant Recipients or the Company, each Stockholder and Management Incentive Grant Recipient (i) agrees that all actions taken by the Stockholders' Representative under this Agreement or the Escrow Agreement shall be binding upon such Stockholder and Management Incentive Grant Recipient and such Stockholder's and Management Incentive Grant Recipient's successors as if expressly confirmed and ratified in writing by such Stockholder and Management Incentive Grant Recipient, and (ii) waives any and all defenses which may be available to contest, negate or disaffirm the action of the Stockholders' Representative taken in good faith under this Agreement or the Escrow Agreement. Fortis Advisors LLC hereby accepts its appointment as the Stockholders' Representative. Parent shall be entitled to deal exclusively with the Stockholders' Representative on all matters relating to (A) the determination of the level of effort applied by Parent or the Surviving Corporation in the operation of the business pursuant to Section 2.2(d), (B) the determination of the occurrence of an Earn Out Event pursuant to Section 2.2, (C) the determination of the execution of a Compound Transaction Agreement, including the timing thereof, (D) the resolution of any disputes related to the occurrence of the Earn Out Event or the execution of a Compound Transaction Agreement, (E) the resolution of any disputes for which a Buyer Indemnified Party or Stockholder Indemnified Party may seek indemnification or offset pursuant to Article VII, and (F) the enforcement of any rights the Stockholders or Management Incentive Grant Recipients may have against Parent or the Surviving Corporation under this Agreement, and shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Stockholder or Management Incentive Grant Recipient by the Stockholders' Representative, and on any other action taken or purported to be taken on behalf of any Stockholder or Management Incentive Grant Recipient by the Stockholders' Representative, as fully binding upon such Stockholder and Management Incentive Grant Recipient.

(b) Certain Stockholders have entered into a letter agreement with the Stockholders' Representative to provide direction to the Stockholders' Representative in connection with the performance of its services under this Agreement and the Escrow Agreement (such Stockholders, including their individual representatives, hereinafter referred to as the "Advisory Group"). Neither the Stockholders' Representative (and its members, managers, directors, officers, contractors, agents and employees) nor any member of the Advisory Group (collectively, the "Representative Group") shall be responsible for any act done or omitted thereunder while acting in good faith and without gross negligence or willful misconduct in connection with this Agreement and the underlying transactions. Each Stockholder and Management Incentive Grant Recipient shall, only to the extent of and in proportion to the portion of the Acquisition Price, Earn Out Payment (if any) and Compound Transaction Payments (if any) actually received by such Stockholder and Management Incentive Grant Recipient, indemnify the Representative Group and hold the Representative Group harmless against any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on the part of the Representative Group and arising out of or in connection with the acceptance or administration of the Representative Group's duties hereunder, including the reasonable fees and expenses of any legal counsel or other professional retained by the

Representative Group, in connection with the acceptance and administration of the Stockholders' Representative' duties hereunder (collectively, the "Agent Expenses"). Such Agent Expenses may be recovered directly from each Stockholder and Management Incentive Grant Recipient only to the extent of and in proportion to the portion of the Acquisition Price, Earn Out Payment (if any) and Compound Transaction Payments (if any) actually received by such Stockholder and Management Incentive Grant Recipient. The Stockholders' Representative shall be entitled to: (i) rely upon any spreadsheet setting forth pro rata portions of the Stockholders and Management Incentive Grant Recipients, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Stockholder and Management Incentive Grant Recipient or other party. The Stockholders' Representative shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or administration of the Stockholders' Representative duties. The powers, immunities and rights to indemnification granted to the Stockholders' Representative and the Advisory Group under this Agreement: (i) are coupled with an interest and shall be irrevocable and survive the death, incompetence, bankruptcy or liquidation of the respective Stockholders and Management Incentive Grant Recipients and shall be binding on any successor thereto, and (ii) shall survive the delivery of an assignment by any Stockholder and Management Incentive Grant Recipient of the whole or any fraction of his, her or its interest in the Earn Out Payment (if any) or Compound Transaction Payment (if any). In addition, the immunities and rights to indemnification shall survive the resignation or removal of the Stockholders' Representative or any member of the Advisory Group and the Closing and/or any termination of this Agreement and the Escrow Agreement.

(c) In the event that the Stockholders' Representative shall dispute the level of effort applied by Parent or the Surviving Corporation in the operation of the business pursuant to Section 2.2(d), the occurrence of the Earn Out Event, the execution of a Compound Transaction Agreement, the timing of the execution of such Compound Transaction Agreement or a request for indemnification or setoff under Article VII, then the Stockholders' Representative shall provide written notice to Parent (the "Dispute Notice") specifying the amount disputed and the basis for the dispute, together with supporting documentation reflecting the analysis and justification thereof. Parent and the Stockholders' Representative (with the Advisory Group) shall thereafter attempt to resolve the dispute set forth in the Dispute Notice in accordance with Section 7.7 of this Agreement.

Section 2.6. Accredited Investors.

(a) Each Stockholder or Management Incentive Grant Recipient will represent pursuant a duly executed Letter of Transmittal, to Parent, if such Person is an "accredited investor" as defined in Rule 501 under the Securities Act of 1933, as amended ("Securities Act"), and as follows with respect to the Parent Series B Preferred (or Parent Common Stock, as applicable):

(i) It is acquiring such Parent Series B Preferred (or Parent Common Stock, as applicable) for investment for his own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof, other than as contemplated hereby;

(ii) Its knowledge and experience in financial and business matters are such that it is capable of evaluating the merits and risks of acquisition of such Parent Series B Preferred (or Parent Common Stock, as applicable;

(iii) Its financial condition is such that it can afford to bear the economic risk of holding such Parent Series B Preferred (or Parent Common Stock, as applicable) for an indefinite period of time and has adequate means for providing for its current needs and contingencies and to suffer a complete loss of its investment in such Parent Series B Preferred (or Parent Common Stock, as applicable);

(iv) All information that it has provided to Parent concerning itself and its financial position is correct and complete; and

(v) It is an "accredited investor" as defined in Rule 501 under the Securities Act.

(b) At least two (2) business days before the Closing, the Company shall deliver to the Exchange Agent a schedule that sets forth a complete and accurate list of (i) all Stockholders and Management Incentive Grant Recipients who have certified, pursuant to a duly executed Letter of Transmittal, their status as "accredited investors" within the meaning of Rule 501 of Regulation D under the Securities Act and the number of shares of Company Capital Stock, if any, held by each such Person as of the date hereof, and (ii) all Stockholders and Management Incentive Grant Recipients who have not certified, pursuant to a duly executed Letter of Transmittal, as to being "accredited investors" within the meaning of such rule, and the number of shares of Company Capital Stock held by each such Person as of the date hereof (the "Accredited Investor List"). Notwithstanding anything in this Agreement to the contrary, no Person shall be entitled to any issuance of shares of Parent Series B Preferred Stock (or Parent Common Stock, as applicable) pursuant to this Agreement unless such Person has delivered to the Exchange Agent a duly executed Letter of Transmittal certifying as to such Person's status as an "accredited investor," or except as may otherwise be approved by Parent in its sole discretion. Each Stockholder or Management Incentive Grant Recipient who fails to deliver a duly executed Letter of Transmittal certifying as to such Person's status as an "accredited investor" shall be deemed not to be an "accredited investor" pursuant to this Agreement except as may otherwise be approved by Parent in its sole discretion.

Section 2.7. Legend. All certificates for shares of Parent Series B Preferred (or Parent Common Stock, as applicable) issued pursuant to Article II, and any shares issued upon the conversion of such shares of Parent Series B Preferred shall bear the following legend: "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT."

Section 2.8. Fractional Shares. No certificates, scrip or book-entries representing fractional shares of Parent Series B Preferred (or Parent Common Stock, as applicable) shall be issued in connection with the Merger, no dividend or distribution with respect to Parent Series B Preferred (or Parent Common Stock, as applicable) shall be payable on or with respect to any fractional share and such fractional share interests will not entitle the owner thereof to any rights of a stockholder of Parent. Any fractional shares of Parent Series B Preferred to which a holder would otherwise be entitled (after aggregating all fractional shares of Parent Series B Preferred issuable to such holder) shall be rounded down to the nearest whole number of shares.

Section 2.9. Management Incentive Grants. At the Effective Time, Parent shall grant Merger Shares to the individuals (the "Management Incentive Grant Recipients") at the times and in the amounts set forth on Exhibit F (the "Management Incentive Grants"), and such individuals will become eligible for any Earn Out Payment and Compound Transaction Payments that may become payable pursuant to the terms hereof, subject to each such individual entering into a restricted stock agreement with Parent in a form reasonably acceptable to Parent and the Company (each, a "Restricted Stock Agreement"). The Management Incentive Grants shall vest upon the occurrence of a Trade Sale or the six month anniversary of an IPO (as such terms are defined in the Restricted Stock Agreement) (each, a "Vesting Event"), provided that such Vesting Event occurs prior to the later of the seventh anniversary of the Closing Date or the holder's "separation from service" with Parent and its Subsidiaries within the meaning of Section 409A of the Code.

Section 2.10. Conversion of Sofinnova Note. At the Closing, Parent shall assume all of the Company's obligations under the Company's Unsecured Convertible Promissory Note, dated December 9, 2013 (the "Promissory Note"), pursuant to which, and concurrent with the Closing, Sofinnova shall receive Coherus Securities (as defined in the Promissory Note) upon the terms and conditions set forth in the Promissory Note.

Section 2.11. Withholding. Each of Parent, Acquisition HoldCo, Acquisition Corp., the Surviving Corporation and the Exchange Agent shall be entitled to deduct and withhold from the amounts, if any, otherwise payable under this Agreement to any Stockholder, Management Incentive Grant Recipient and any other Person such amounts as it is required to deduct and withhold with respect to any such payments under the Code or any other provision of U.S. federal, state, local or non-U.S. Tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been delivered and paid to the Persons in respect of which such deduction and withholding was made.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Except as set forth in the corresponding sections or subsections of the disclosure schedule delivered by the Company to Parent on the date hereof (the "Company Disclosure Schedule"), the Company represents and warrants to Acquisition Corp., to Parent and to Acquisition HoldCo as follows:

Section 3.1. Organization.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Subsidiary of the Company (each a "Company Subsidiary" and, collectively, the "Company Subsidiaries") has been duly organized, and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may. Each of the Company and each Company Subsidiary has all requisite power and authority to carry on its business as it is now being conducted and to own, use and lease its assets and properties. Each of the Company and each Company Subsidiary is duly qualified or licensed as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of its business or the ownership, leasing or operation of its assets and properties makes such qualification or licensing necessary, except where the failure to be so qualified or licensed and in good standing would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) Section 3.1(b) of the Company Disclosure Schedule sets forth a true and complete list of all of the Company Subsidiaries. Except as set forth in Section 3.1 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary owns, or has any interest in any shares or has an ownership interest in any other Person.

Section 3.2. Capitalization.

(a) As of the date of this Agreement, the total authorized shares of capital stock of the Company consisted solely of (i) 789,425 shares of Company Common Stock, of which 33,703 shares were issued and outstanding; and (ii) 750,000 shares of Company Preferred Stock, of which 403,949 shares were issued and outstanding. As of the date of this Agreement, 409,699 shares of Company Common Stock were reserved for issuance of which (i) 4,728 shares were reserved for issuance of future awards under the Company Stock Plan, (ii) 1,022 shares were reserved for issuance upon exercise of outstanding Options under the Company Stock Plan, and (iii) 403,949 shares of Company Common Stock were reserved for issuance upon the conversion of the outstanding shares of Company Preferred Stock.

(b) Other than the Company Common Stock, the Company Preferred Stock or as set forth on Section 3.2(b) of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Company Capital Stock or obligating the Company to issue or sell any Company Capital Stock, or any other interest in the Company. The Company does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. Other than the Voting and Release Agreement or as set forth on Section 3.2(b) of the Company Disclosure Schedule there are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting of the shares of Company Capital Stock or any shares of any Company Subsidiary to which the Company or any Company Subsidiary is a party or, to the Company's Knowledge, to which any other Person is a party.

(c) All the outstanding shares of Company Common Stock and Company Preferred Stock have been duly authorized and validly issued and are fully paid and nonassessable. No shares of Company Capital Stock have been issued by the Company at any time in violation of the preemptive rights of any stockholder of the Company. All shares of Company Capital Stock previously issued by the Company were offered, issued and sold in compliance in all material respects with all applicable Federal and state securities laws and regulations. Exhibit F contains a true, complete and accurate list of every holder of Company Capital Stock.

(d) Except as set forth on Section 3.2(d) of the Company Disclosure Schedule, each outstanding share of capital stock of each Company Subsidiary is duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights and is owned, beneficially and of record, by the Company or another Company Subsidiary free and clear of all Liens.

Section 3.3. Authority. The Company has requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and, subject to receipt of the Company Stockholder Approval, to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly authorized and approved by the Company's Board of Directors, and except for (a) the filing of the Certificate of Merger pursuant to the DGCL and (b) the receipt of the Company Stockholder Approval, no other corporate proceedings on the part of the Company or its stockholders are necessary to authorize this Agreement or the consummation of the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by the Company. Assuming the due authorization, execution and delivery of this Agreement by Parent, Acquisition HoldCo and Acquisition Corp., this Agreement is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

Section 3.4. No Conflicts; Governmental Requirements.

(a) The execution, delivery and performance by the Company of this Agreement and, assuming the receipt of Company Stockholder Approval, the consummation of the Merger do not, and will not, (i) violate or conflict with any provision of the certificate of incorporation or by-laws of the Company or any equivalent organizational documents of any Company Subsidiary, (ii) subject to the governmental filings and other matters referred to in Section 3.4(b), violate any law, rule, regulation, ordinance or applicable constitution or order, writ, injunction, judgment, award, restriction, ruling or decree of any Governmental Entity

applicable to the Company or any Company Subsidiary or the transactions contemplated hereby, or (iii) result in a violation or breach of, conflict with, or constitute a default (or an event which, with the passage of time or the giving of notice, or both, would reasonably be expected to constitute a default) under, or result in or give rise to any right of termination, modification, cancellation or acceleration, or require any consent, approval or notice under, any note, bond, indenture, license, Lien, franchise, mortgage, loan or credit agreement, contract, agreement, lease, permit, guaranty or other agreement, instrument or obligation to which the Company or any Company Subsidiary is a party or by which any assets or properties of the Company or any Company Subsidiary may be bound, except, in the case of clauses (ii) or (iii) of this Section 3.4(a), for any violation, breach, conflict, default, right or lack of consent, approval or notice that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(b) Except for (i) the filing of the Certificate of Merger pursuant to the DGCL and, assuming the receipt of Company Stockholder Approval, (ii) any other consents, approvals, authorizations, permissions, notices or filings which if not obtained or made would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect or materially delay or hinder or render unlawful the consummation of the Merger or the other transactions contemplated by this Agreement or (iii) consents, approvals, authorizations, permissions, notices or filings which have heretofore been obtained or made, as the case may be, by the Company, are in full force and effect and copies of which have been provided to Parent, the execution and delivery of this Agreement by the Company do not, and the performance by the Company of this Agreement will not, require any consent, approval, authorization or permission of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign.

Section 3.5. Books and Records. The minute books and other similar records of the Company and each Company Subsidiary as made available to Parent and its Representatives prior to the execution of this Agreement contain a true and complete record, in all material respects as of the date of this Agreement, of all actions taken at all meetings and by all written consents in lieu of meetings of the stockholders, the board of directors and all committees of the board of directors of the Company and each Company Subsidiary. The stock transfer ledger and other similar records of the Company and each Company Subsidiary as made available to Parent prior to the execution of this Agreement contain true and complete records, in all material respects as of the date of this Agreement, of all stock transfers related to the Company's and each Company Subsidiary's capital stock. The Company has previously furnished to Parent true, complete and correct copies of the certificate of incorporation and the by-laws of the Company and any equivalent organizational documents of any Company Subsidiary, as in effect on the date hereof.

Section 3.6. Financial Statements.

(a) The Company has made available to Parent its unaudited financial statements of the Company as of and for the year ended December 31, 2012 (the "FYE Company Financial Statements") and the unaudited financial statements of the Company as of and for the period ended September 30, 2013 (the "Interim Company Financial Statements" and, together with the FYE Company Financial Statements, the "Company Financial Statements"). The Company Financial Statements were prepared on an unconsolidated basis but otherwise in accordance with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of the Interim Company Financial Statements, to normal year-end adjustments and the absence of footnotes). The Company Financial Statements have been prepared from and are in accordance with the books and records of the Company.

(b) The Company has made available to Parent the unaudited financial statements of each Company Subsidiary as of and for the year ended December 31, 2012 (the "FYE Subsidiary Financial Statements") and the unaudited financial statements of each Company Subsidiary as of and for the period ended September 30, 2013 (the "Interim Subsidiary Financial Statements" and, together with the FYE Subsidiary Financial Statements, the "Subsidiary Financial Statements"). The Subsidiary Financial Statements have been prepared from and are in accordance with the books and records of the applicable Company Subsidiary.

Section 3.7. Absence of Undisclosed Liabilities.

(a) Except as reflected in the Company Financial Statements, the Company has not incurred any liability or obligation of any nature (whether direct or indirect, matured or unmatured, or absolute, accrued, contingent or otherwise) that would be required to be reflected on a balance sheet or in notes thereto prepared in accordance with GAAP, except for (a) liabilities or obligations incurred after September 30, 2013 in the ordinary course of business in an amount not in excess of $50,000 individually or $250,000 in the aggregate, (b) liabilities and obligations incurred after September 30, 2013 pursuant to or in connection with this Agreement or the transactions contemplated by this Agreement, (c) liabilities and obligations disclosed in this Agreement or Section 3.7 of the Company Disclosure Schedule, or (d) liabilities or obligations which, individually or in the aggregate, would not reasonably be expected to be material to the Company and the Company Subsidiaries, taken as a whole. All amounts of outstanding indebtedness owed by the Company are repayable at any time without requiring the payment of any premium on the part of the Company or resulting in any penalty to the Company.

(b) Except as reflected in the Subsidiary Financial Statements, the Company Subsidiary has not incurred any liability or obligation of any nature (whether direct or indirect, matured or unmatured, or absolute, accrued, contingent or otherwise) that would be required to be reflected on a balance sheet or in notes thereto prepared in accordance with GAAP, except for (a) liabilities or obligations incurred after September 30, 2013 in the ordinary course of business in an amount not in excess of $50,000 individually or $250,000 in the aggregate, (b) liabilities and obligations incurred after September 30, 2013 pursuant to or in connection with this Agreement or the transactions contemplated by this Agreement, (c) liabilities and obligations disclosed in this Agreement or Section 3.7 of the Company Disclosure Schedule, or (d) liabilities or obligations which, individually or in the aggregate, would not reasonably be expected to be material to the Company and the Company Subsidiaries, taken as a whole.

Section 3.8. Absence of Certain Changes or Events. Since September 30, 2013, except as specifically contemplated by, or as disclosed in, this Agreement or Section 3.8 of the Company Disclosure Schedule, the Company and each Company Subsidiary has conducted its businesses in the ordinary course consistent with past practice and, since such date, there has not been (A) any Company Material Adverse Effect, (B) any event or development that would, individually or in the aggregate, reasonably be expected to prevent or materially delay the transactions contemplated by this Agreement or (C) any action taken by the Company or any Company Subsidiary during the period from September 30, 2013 through the date of this Agreement that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a material breach of Section 5.1(a) or a breach of Section 5.1(b).

Section 3.9. Properties.

(a) The Company owns outright or has good and marketable fee title to or a valid leasehold or license interest in all of its Leased Real Property, material personal assets and properties (including those reflected as assets on the balance sheet included in the Interim Company Financial Statements), in each case free and clear of any Lien. The Company and collectively with each of the Company's Subsidiaries have all necessary personal assets, equipment and properties to engage in the business as currently conducted by the Company and each Company Subsidiary.

(b) Neither the Company nor any Company Subsidiary own any real property.

(c) Section 3.9(c) of the Company Disclosure Schedule sets forth a list of all of the written, or, to the Company's Knowledge, oral leases, subleases or rights of occupancy pursuant to which the Company or any Company Subsidiary leases or subleases any real property or interest therein (collectively, as heretofore modified, amended or extended, the "Leases"), (collectively, the "Leased Real Property"). True and correct copies of each of the Leases, including all amendments, modifications and extensions thereof, and all subordination, non-disturbance and/or attornment agreements related thereto, have been made available by the Company to Parent. To the Company's Knowledge, neither the Company nor any Company Subsidiary has received any written notice of default under any Lease. Neither the Company nor any Company Subsidiary is in material default under any Lease and no event has occurred that with the giving of notice, the passage of time or both would constitute such a default by the Company or any Company Subsidiary.

Section 3.10. Accounts Payable; Clinical Materials.

(a) Section 3.10(a) of the Company Disclosure Schedule sets forth a true and correct list of each account payable of the Company and each Company Subsidiary (and the age of such payable), as of the fifth (5^{th}) business day immediately preceding the date of this Agreement.

(b) The clinical trial supply material inventory of the Compound owned by the Company or any Company Subsidiary as of the date of this Agreement is described in Section 3.10(b) of the Company Disclosure Schedule. All such clinical trial supply materials are of such quality as to be useable for the clinical trials for the Compound contemplated as of the date of this Agreement. As of the date of this Agreement, the Company and the Company Subsidiaries will have sufficient clinical trial supply material inventory to conduct a 210-patient clinical trial for the Compound.

Section 3.11. Contracts.

(a) Section 3.11 of the Company Disclosure Schedule sets forth a true, correct and complete list of the following Contracts to which the Company or any Company Subsidiary is a party and is currently in effect:

(i) any Contract that individually involves payments to or from the Company or any Company Subsidiary, collectively, in excess of $50,000 on an annual basis

(ii) any debt instrument, including any loan agreement, line of credit, promissory note, security agreement or other evidence of indebtedness, where the Company or any Company Subsidiary is a lender, borrower or guarantor;

(iii) any Contract restricting the Company or any Company Subsidiary or, to the Company's Knowledge, any of their respective employees from engaging in any activity or line of business or competing with any Person or limiting the ability of any Person to compete with the Company or any Company Subsidiary;

(iv) any joint venture, partnership or similar agreement;

(v) any Contract with respect to (A) Company Intellectual Property that grants to a third party any rights to such Company Intellectual Property or (B) Company Intellectual Property by which the Company or any Company Subsidiary has licensed rights to such Company Intellectual Property from a third party;

(vi) any employment, severance or consulting Contract which will require the payment of amounts by the Company or any Company Subsidiary after the date of this Agreement in excess of $50,000 per annum;

(vii) any Contract which, if terminated, would reasonably be expected to result in a Company Material Adverse Effect; and

(viii) any Contract pursuant to which the Company or any Company Subsidiary is required to, or obtains rights to, undertake the development or commercialization of any pharmaceutical product.

(b) The Contracts listed in Section 3.11(a) of the Company Disclosure Schedule are all the material agreements relating to the operation of the currently conducted business of the Company and each Company Subsidiary. Each Contract listed in Section 3.11(a) of the Company Disclosure Schedule is valid, binding and enforceable in all material respects in accordance with its terms with respect to the Company and, to the Company's Knowledge, the other party thereto (except to the extent enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors rights generally and by the effect of general principles of equity, regardless of whether enforcement is considered in a proceeding in equity or at law) and the Company and each Company Subsidiary is not or, to the Company's Knowledge, is not alleged to be, and, to the Company's Knowledge, no other party to any such agreement is, in default in any material respect under any such Contract and, except as contemplated by this Agreement, after the Merger all of such Contracts will remain in full force and effect, except for agreements which, by their terms (without giving effect to the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby), terminate prior to the consummation of the Merger or such other Contracts the termination of which would not, individually or in the aggregate, be reasonably expected to have a Company Material Adverse Effect.

Section 3.12. Absence of Questionable Payments. Neither the Company or any Company Subsidiary nor, to the Company's Knowledge, any of its directors, officers, agents, employees or any other Persons acting on their behalf has, in connection with the operation of the Company's or any Company Subsidiary's business, (i) used any corporate or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to foreign or domestic government officials, candidates or members of political parties or organizations or established or maintained any unlawful or unrecorded funds in violation of Section 104 of the Foreign Corrupt Practices Act of 1977, as amended, or any other similar applicable foreign, federal or state law; or (ii) paid, accepted or received any unlawful contributions, payments, expenditures or gifts.

Section 3.13. Litigation. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Company's Knowledge, threatened against or by the Company or any Company Subsidiary affecting any of its properties or assets which if determined adversely to the Company would result in a Company Material Adverse Effect.

Section 3.14. Compliance with Law; Authorizations.

(a) To the Company's Knowledge, the Company and each Company Subsidiary has complied, and their respective assets and properties are in compliance, in all material respects with, and is not in violation of, in any material respect, any law, ordinance, code or governmental rule or regulation (collectively, "Laws") to which it or its business is subject.

(b) The Company and each Company Subsidiary has obtained and currently holds all material licenses, permits, certificates or other governmental authorizations (collectively "Authorizations") necessary for the ownership or use of their respective assets and properties and the conduct of their respective businesses as currently conducted.

(c) The Company and each Company Subsidiary has complied in all material respects with, and is not in violation in any material respect of, any Authorization necessary for the ownership or use of their respective assets and properties or the conduct of their respective businesses as currently conducted, all Authorizations necessary for the ownership or use of their respective assets and properties and the conduct of their respective businesses are in full force and effect, and there are no proceedings pending or, to the Company's Knowledge, threatened that seek the revocation, cancellation, suspension or any adverse modification of any such Authorizations presently possessed by the Company or any Company Subsidiary.

Section 3.15. Intellectual Property.

(a) The Company has made available to Parent complete and accurate lists or other identifying information related to (including, where applicable, true and accurate copies of) all of the following items used or held for use by the Company or any Company Subsidiary in the conduct of their respective businesses (1) patents, patent applications and patent disclosures issued or filed, together with all reissues, divisions, continuations, continuations-in-part, revisions, extensions and reexaminations thereof, (2) trade names, common law trademarks, common law service marks, registered trademarks, registered service marks, and applications for trademark registration or service mark registration, (3) registered copyrights and (4) domain name registrations.

(b) The Company has made available to Parent complete and accurate lists or other identifying information related to (including, where applicable, true and accurate copies of) all material licenses, sublicenses and other agreements by which the Company or any Company Subsidiary licenses or otherwise authorizes a third party to use any Intellectual Property of the Company or any Company Subsidiary. Neither the Company or any Company Subsidiary nor, to the Company's Knowledge, any third party is in breach of or default under any such license or other agreement, and each such license or other agreement is now valid and in full force and effect, in each case except where such breach, invalidity or ineffectiveness would not be expected to have a Company Material Adverse Effect.

(c) To the Knowledge of the Company, the Company or a Company Subsidiary owns or is licensed or otherwise has the right to use all Intellectual Property necessary for the operation of business of the Company and each such Company Subsidiary as it is currently conducted. The Company or a Company Subsidiary has the right to bring actions for the infringement or other violation of the Company Intellectual Property, except where such Company Intellectual Property is licensed from a third party on a nonexclusive basis.

(d) No written claim has been made to, nor any written notice received by, the Company to the effect that the business operations of the Company or any Company Subsidiary as it is currently conducted infringe, dilute, misappropriate or otherwise violate the Intellectual Property rights of any third party, in each case except as would not be expected to result in a Company Material Adverse Effect. Neither the Company nor any Company Subsidiary has any pending or, to the Company's Knowledge, threatened or anticipated claims that a third party has violated or infringed any Intellectual Property of the Company or any Company Subsidiary, in each case except for violations or infringements that would not be expected to result in a Company Material Adverse Effect. To the Company's Knowledge, there is no pending claim that the Company or any Company Subsidiary has violated or infringed any of a third party's Intellectual Property rights.

(e) All of the items listed or made available to Parent pursuant to Section 3.15(a) are: (i) to the Knowledge of the Company, valid and in full force, (ii) held of record in the name of the Company or the applicable Company Subsidiary free and clear of all Liens and other claims, except for domain names and except as would not be expected to have a Company Material Adverse Effect, and (iii) to the Knowledge of the Company, are not the subject of any cancellation or reexamination proceeding or any other proceeding challenging their extent or validity, other than office actions in the ordinary course of prosecution.

(f) To the Company's Knowledge, none of the material trade secrets of the Company or any Company Subsidiary have been disclosed to any third party unless such disclosure was made pursuant to a confidentiality agreement.

Section 3.16. Tax Matters.

(a) (i) The Company and each Company Subsidiary has timely filed Tax Returns required to be filed by it; (ii) all such Tax Returns are true, complete and accurate in all material respects and all Taxes shown as due on such Tax Returns and all Taxes otherwise due have been timely paid; (iii) neither the Company nor any Company Subsidiary has waived or has been requested in writing to waive (or agreed to any extension of) any limitations period in respect of Taxes; (iv) no adjustment relating to such Tax Returns has been proposed in writing by any Tax authority; (v) there are no pending or, to the Company's Knowledge, threatened actions or proceedings for the assessment or collection of Taxes against the Company or any Company Subsidiary; (vi) neither the Company nor any Company Subsidiary is a party to any Tax sharing or Tax allocation agreement, or has any obligation under any Tax indemnity arrangement; (vii) there are no liens for Taxes upon the assets of the Company or any Company Subsidiary (other than liens for property taxes not yet due and payable); (viii) all Taxes which the Company or any Company Subsidiary is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid or accrued, or reserved against and entered on the books of the Company and the applicable Company Subsidiary in accordance with GAAP; and (ix) neither the Company nor any Company Subsidiary has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(b) The Company (i) has not agreed to and is not required to make any adjustment pursuant to Section 481(a) of the Code, (ii) has no Knowledge that the Internal Revenue Service ("IRS") has proposed any such adjustment or change in accounting method with respect to the Company, and (iii) does not have any application pending with the IRS or any other tax authority requesting permission for any change in accounting method.

(c) (i) Neither the Company nor any Company Subsidiary is currently the subject of any audit or examination with respect to Taxes, (ii) there are no written requests for information from any Tax authority currently outstanding that could affect the Taxes of the Company or any Company Subsidiary, (iii) there are no proposed reassessments in writing of any property owned by the Company or any Company Subsidiary that could increase the amount of any Tax to which the Company or any Company Subsidiary would be subject, and (iv) no power of attorney that is currently in force has been granted by the Company with respect to any matter relating to Taxes.

(d) The Company has delivered or made available to Parent correct and complete copies of all income and other material Tax Returns for all taxable years remaining open under the applicable statute of limitations and examination reports, and statements of deficiencies assessed against or agreed to by the Company or any Company Subsidiary.

(e) Except in respect of any affiliated, consolidated, combined, unitary or similar group of which the Company currently is a member, the Company (i) is not and has not been a member of an affiliated group (within the meaning of Section 1504(a)(1) of the Code) or (ii) has not filed or been required to file or been included on or required to be included on a consolidated federal income tax return or a state Tax Return on a consolidated, combined or unitary basis.

(f) Neither the Company nor any Company Subsidiary has engaged in any reportable transaction within the meaning of Treas. Reg. §1.6011-4(b).

(g) No written claim has been received by the Company or any Company Subsidiary from an authority in a jurisdiction where it does not file Tax Returns claiming that it is or may be subject to taxation in that jurisdiction, which claim, if successfully asserted, could reasonably be expected to result in any liability for Taxes.

(h) Neither the Company nor any Company Subsidiary has any liability for the Taxes of any other Person (i) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), (ii) as a transferee or successor, (iii) by Contract or (iv) otherwise.

(i) No entity classification election pursuant to Treasury Regulations Section 301.7701-3 has been filed with respect to any of the Company Subsidiaries.

(j) Neither the Company nor any Company Subsidiary has engaged in a trade or business, had a permanent establishment (within the meaning of an applicable Tax treaty), or otherwise become subject to Tax jurisdiction in a country other than the country of its formation.

(k) The prices and terms for the provision of any property or services by or to the Company and the Company Subsidiaries are arm's length for purposes of the relevant transfer pricing laws, and all related documentation required by such laws has been timely prepared or obtained and, if necessary, retained.

(l) For the period commencing on the first day of any Straddle Period and ending at the close of business on the Closing Date, no Company Subsidiary has any material item of income which could constitute subpart F income within the meaning of Section 952 of the Code. As of the Closing Date, no Company Subsidiary will hold assets that constitute U.S. property within the meaning of Section 956 of the Code.

Section 3.17. Employee Benefit Plans.

(a) Section 3.17(a) of the Company Disclosure Schedule sets forth a complete and accurate list of all employee benefit plans as defined in Section 3(3) of the "Employee Retirement Income Security Act of 1974, as amended ("ERISA") and all other employee benefit arrangements, obligations, customs, or practices, whether or not subject to ERISA, to provide benefits, other than salary, in respect of services rendered, to current or former employees of the Company, including employment agreements, severance agreements, executive compensation arrangements, incentive programs or arrangements, sick leave, vacation pay, severance pay policies, plant closing benefits, repatriation or expatriation benefits, work permits, visas, salary continuation, disability, consulting or other compensation arrangements, workers' compensation, deferred compensation, bonus, stock option, stock appreciation, stock purchase, phantom stock, or other equity right, hospitalization, medical, dental or vision benefits or insurance, life insurance, tuition reimbursement or scholarship programs, fringe benefits, cafeteria plan benefits and any plans or arrangements providing benefits or payments in the event of a change of control, change in ownership, or sale of a substantial portion (including all or substantially all) of the assets of the business of the Company maintained or contributed to by the Company or any person that is, together with the Company, treated as a single employer under Section 414 of the Code or Section 4001(b) of ERISA (each, an "ERISA Affiliate") or pursuant to which the Company or any ERISA Affiliate could have Liability (collectively, "Employee Benefit Plans").

(b) The Company has furnished or made available to Purchaser true and complete copies of all material documents embodying each of the Employee Benefit Plan. No Employee Benefit Plan is subject to ERISA reporting requirements.

(c) Each Employee Benefit Plan has been administered and operated in material compliance with the requirements prescribed by any and all statutes, rules and regulations (including ERISA and the Code), and none of the Employee Benefit Plans promises or provides retiree medical or other retiree welfare benefits to any person.

(d) No action, claim or proceeding is pending or, to the Knowledge of the Company, threatened in writing with respect to any Company Benefit Plan (other than claims for benefits in the ordinary course) and, to the Knowledge of the Company, no fact or event exists that could give rise to any such action, claim or proceeding.

(e) Neither the Company or any ERISA Affiliate has ever maintained, established, sponsored, participated in, contributed to, or is obligated to contribute to, or otherwise incurred any obligation or Liability under any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA.

(f) None of the execution, delivery or performance of this Agreement by the Company, the consummation by the Company of the Merger or any other transaction contemplated by this Agreement, or the Company's compliance with any of the provisions of this Agreement will (either alone or in conjunction with any other event, including any termination of employment on or following the Effective Time) (i) accelerate the time of payment or vesting, increase the amount of payment, or trigger any payment or funding, of any compensation or benefit or trigger any other material obligation under any Employee Benefit Plan; (ii) obligate the Company or any Subsidiary of the Company to make any payment or provide any benefit in connection with a "change in ownership or effective control," within the meaning of such term under Section 280G of the Code, or (iii) would be reasonably expected to result in the payment or series of payments by the Company or any of the Company Subsidiaries to any person of an "excess parachute payment" within the meaning of Section 280G of the Code.

(g) Each Employee Benefit Plan that is subject to Section 409A of the Code has been maintained and operated in documentary and operational compliance with Section 409A of the Code or an available exemption therefrom.

Section 3.18. Employee Compensation. Section 3.18 of the Company Disclosure Schedule contains a complete and accurate list of the titles and current annual salary rates of and bonuses paid or payable to all present officers and employees, and independent contractors and consultants who are used in the operations of the Company's and any Company Subsidiary's business and who are material to the operations of the Company's or any Company Subsidiary's business or who receive compensation, including, without limitation, cash and equity compensation, in an amount equal to at least $100,000 per annum.

Section 3.19. Employees.

(a) The Company and each of its Subsidiaries are in compliance, in all material respects, with all currently applicable laws and regulations respecting terms and conditions of employment. There are no proceedings pending, or, to the Company's Knowledge, reasonably expected or threatened in writing, between the Company or any of its Subsidiaries, on the one hand, and any or all of its current or former employees, on the other hand. Neither the Company nor any Company Subsidiary is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any Company

Subsidiary, nor, to the Company's Knowledge, are there any activities or proceedings of any labor union to organize any such employees. There is no strike, slowdown, work stoppage or lockout existing, or, to the Company's Knowledge, threatened, by or with respect to any employees of the Company or any Company Subsidiary.

(b) Except as set forth on Section 3.19(b) of the Company Disclosure Schedule, every officer and employee, and independent contractor and consultant who is or has been used in the operations of the Company's and any Company Subsidiary's business has executed a proprietary information agreement in substantially the form previously provided to Parent which is currently in full force and effect and enforceable against such individual.

(c) The Company and each Company Subsidiary has complied in all material respects with all applicable laws related to employment, including those related to wages, hours, worker classification, and collective bargaining, and the payment and withholding of taxes and other sums as required by Law.

(d) Each person providing services to the Company or any Company Subsidiary that has been characterized as a consultant or independent contractor and not an employee has been properly characterized as such and neither the Company or any Company Subsidiary has any liability or obligations, including under or on account of any Employee Benefit Plan, arising out of the hiring or retention of persons to provide services to the Company or any Company Subsidiary and treating such persons as consultants or independent contractors and not as employees.

(e) To the Company's Knowledge, no employee of the Company or any Company Subsidiary is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Company or any Company Subsidiary or that would conflict with business of the Company or any Company Subsidiary or the execution delivery or performance of the Agreement and any documents contemplated hereunder.

Section 3.20. Bank Accounts. Section 3.20 of the Company Disclosure Schedule contains a complete and accurate list of all bank accounts, lock boxes and safe deposit boxes relating to the business and operations of the Company and each Company Subsidiary (including the name of the bank or other institution where such account or box is located and the name of each authorized signatory thereto).

Section 3.21. Brokers. Neither Parent nor the Surviving Corporation shall directly or indirectly be obligated to pay or bear (e.g., by virtue of any payment by or obligation of any of the Company or any Company Subsidiary at or at any time after the Closing) any brokerage, finder's or other fee or commission to any broker, finder or investment banker in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of the Company or any Company Subsidiary.

Section 3.22. Disclosures. The Company has made available to Parent all the information reasonably available to the Company that Parent has requested for deciding whether to enter into this Agreement and the Collateral Documents. No representation or warranty of the Company contained in this Agreement, as qualified by the Company Disclosure Schedule, or any Collateral Document, and no certificate furnished or to be furnished to Parent at the Closing contains any untrue statement of a material fact or, to the Company's Knowledge, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. It is understood that this representation is qualified by the fact that the Company has not delivered to Parent, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT, ACQUISITION HOLDCO AND ACQUISITION CORP.

Except as set forth in the corresponding sections or subsections of the disclosure schedule delivered by Parent to the Company on the date hereof (the "Parent Disclosure Schedule" and with the Company Disclosure Schedule, the "Disclosure Schedules"), Parent, Acquisition HoldCo and Acquisition Corp. represent and warrant to the Company as follows. Defined terms used without definition in this Article IV shall have the meaning given them in the Coherus Biosciences, Inc. Amended and Restated Series B Preferred Stock Purchase Agreement dated as of the Closing Date.

Section 4.1. Organization, Good Standing and Qualification. Each of Parent, Acquisition HoldCo and Acquisition Corp. is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to enter into and carry out the provisions of this Agreement and the Collateral Documents. Parent has all requisite corporate power and authority to own and operate its properties and assets, to carry on its business as currently conducted and as it is currently planned to be conducted. Parent is duly qualified to transact business and is in good standing in each jurisdiction in which the nature of the business conducted by it, or its ownership or leasing of property, or its employment of employees or consultants therein, makes such qualification necessary and where any statutory fines or penalties, or any corporate disability imposed for this failure to qualify, would materially and adversely affect Parent's business, properties, assets, prospects, or financial condition. True and accurate copies of Parent's Certificate of Incorporation and Bylaws, each as of the date hereof and to be amended and in effect at the Closing, have been made available to the Company.

Section 4.2. Subsidiaries. Except as set forth in Section 4.2 of the Parent Disclosure Schedule, Parent does not presently own or control, directly or indirectly, any interest in any other corporation or other business entity. Parent is not a participant in any joint venture, partnership, or similar arrangement.

Section 4.3. Authorization. All corporate action on the part of Parent, Acquisition HoldCo and Acquisition Corp., their respective officers, directors, and stockholders necessary for the authorization, execution, and delivery of this Agreement and the Collateral Documents, the performance of all obligations of Parent, Acquisition HoldCo and Acquisition Corp. hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale, and delivery of the shares of Parent Series B Preferred (or Parent Common Stock, as applicable) constituting the Acquisition Price and the Earn Out Funds (collectively, the "Merger Shares") being issued hereunder and the Parent Common Stock issuable upon conversion of the Merger Shares has been taken and, assuming the due authorization, execution and delivery of this Agreement and any Collateral Document to which it is a party by the Company, this Agreement and the Collateral Documents, when executed and delivered, will constitute valid and legally binding obligations of each of Parent, Acquisition HoldCo and Acquisition Corp., enforceable in accordance with their respective terms, subject to: (i) laws limiting the availability of specific performance, injunctive relief, and other equitable remedies; (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights generally; and (iii) limitations on the enforceability of any indemnification provisions contained in this Agreement or any of the Collateral Documents. The issuance of the Merger Shares is not, and the subsequent conversion of the Merger Shares into Parent Common Stock will not be, subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

Section 4.4. Governmental Consents. No consent, approval, order, or authorization of, or registration, qualification, designation, declaration, or filing with, any federal, state, or local governmental authority on the part of Parent, Acquisition HoldCo or Acquisition Corp. is required in connection with the execution and delivery of this Agreement or any Collateral Document or the consummation of any other transaction contemplated hereby or thereby, except for the following: (i) the filing of the Restated Certificate in the office of the Secretary of State of the State of Delaware, which has been filed by Parent prior to the Closing; (ii) the filing of a notice of exemption pursuant to Section 25102(f) California Securities Law, which shall be filed by Parent promptly following the Closing; (iii) the compliance with other applicable state securities laws, which compliance will have occurred within the appropriate time periods therefor; (iv) the filing of the Certificate of Merger pursuant to the DGCL; (v) any other consents, approvals, authorizations, permissions, notices or filings which if not obtained or made would not (individually or in the aggregate), reasonably be expected to have a material adverse effect on the Surviving Corporation or materially delay or hinder or render unlawful the consummation of the Merger or other transactions contemplated by this Agreement; and (vi) consents, approvals, authorizations, permissions, notices or filings which have heretofore been obtained or made, as the case may be, by Parent, Acquisition HoldCo or Acquisition Corp., are in full force and effect and copies of which have been provided to the Company. Assuming that the representations of the Stockholders and Management Incentive Grant Recipients set forth in their respective Letters of Transmittal are true and correct, the issuance of the Merger Shares in conformity with the terms of this Agreement are (and the Parent Common Stock issuable upon conversion of the Merger Shares will be) exempt from the registration requirements of Section 5 of the Securities Act, and from the qualification requirements of Section 25110 of the California Securities Law, and neither Parent nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

Section 4.5. Valid Issuance of Merger Shares and Underlying Parent Common Stock. The Merger Shares, when issued and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid, and nonassessable, and will be free of liens, encumbrances and restrictions on transfer, other than restrictions on transfer under this Agreement and the Collateral Documents and under applicable state and federal securities laws and liens or encumbrances created by or imposed by a Stockholder or Management Incentive Grant Recipient. The Parent Common Stock issuable upon conversion of the Merger Shares has been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Restated Certificate, will be duly and validly issued, fully paid, and nonassessable and will be free of restrictions on transfer other than restrictions on transfer under this Agreement and the Collateral Documents and under applicable state and federal securities laws.

Section 4.6. Capitalization.

(a) The authorized capital stock of Parent consists, immediately prior to the Closing, of 48,391,200 shares of Parent Common Stock, 8,064,479 of which are issued and outstanding, and 29,883,497 shares of preferred stock, of which (a) 1,800,000 shares are designated Series A Preferred Stock (the "Parent Series A Preferred" and together with the Parent Series B Preferred, the "Parent Preferred Stock"), 1,620,888 of which are issued and outstanding and (b) 28,083,497 shares are designated Series B Preferred Stock, 13,638,707 of which are issued and outstanding. Each share of Parent Preferred Stock is initially convertible into one share of Parent Common Stock. Parent has also reserved an aggregate of 6,830,041 shares of Parent Common Stock for issuance to employees and consultants pursuant to the Plan, under which (i) 42,604 shares have been issued and are reflected in the currently outstanding Parent Common Stock, (ii) options to purchase 3,837,041 shares are presently outstanding and (iii) 2,950,391 shares remain available for future grant. All issued and outstanding shares of capital stock of Parent have been duly authorized and validly issued and are fully paid and nonassessable. True and accurate copies of the Plan and the signed agreements used thereunder have been made available to the Company. Immediately prior to the Closing, (i) warrants to purchase 491,943 shares of Parent Series B Preferred and 106,560 shares of Parent Series A Preferred have been issued and are outstanding and (ii) convertible promissory notes having an aggregate principal amount of $9,950,000.00 (the "2013 Convertible Notes") have been issued and are outstanding pursuant to that certain Convertible Note and Warrant Purchase Agreement, dated as of July 15, 2013, by and among Parent and the parties named therein (as amended, the "2013 Bridge Financing Agreement"). True and accurate copies of the 2013 Bridge Financing Agreement, and the signed warrants and Convertible Notes used thereunder have been made available to the Company. Other than as described above or provided in the Ancillary Agreements, there are no other outstanding rights, options, warrants, preemptive rights, rights of first refusal, or similar rights for the purchase or acquisition from Parent of any securities of Parent nor are there any commitments to issue or execute any such rights, options, warrants, preemptive rights or rights of first refusal. Except as otherwise provided in the Restated Certificate or the Ancillary Agreements, there are no outstanding rights or obligations of Parent to repurchase or redeem any of its securities. The respective rights, preferences, privileges, and restrictions of the Parent Preferred Stock and the Parent Common Stock are as stated in the Restated Certificate. All outstanding securities of Parent have been issued in compliance with state and federal securities laws.

(b) Section 4.6 of the Parent Disclosure f sets forth the summary capitalization of Parent immediately following the Closing, including the following (in each case, in the aggregate): (i) issued and outstanding Parent Common Stock; (ii) shares of Parent Common Stock exercisable under granted stock options; (iii) shares of Parent Common Stock reserved and available for future award grants under the Plan; and (iv) issued and outstanding Parent Preferred Stock. All outstanding shares of the Parent Common Stock and all shares of Parent Common Stock underlying outstanding options and warrants are subject to (i) a right of first refusal in favor of Parent upon any proposed transfer (other than transfers for estate planning purposes); and (ii) a lock-up or market standoff agreement of not less than 180 days following Parent's initial public offering pursuant to a registration statement filed with the Securities and Exchange Commission under the Securities Act.

Section 4.7. Agreements; Action.

(a) Except as set forth in Section 4.7 of the Parent Disclosure Schedule, there are no agreements, understandings, instruments, contracts, proposed transactions, judgments, orders, writs, or decrees to which Parent is a party or by which it is bound that involves (i) obligations (contingent or otherwise) of, or payments to, Parent in excess of $50,000 other than obligations of, or payments to, Parent arising from license, purchase, or sale agreements entered into in the ordinary course of business, (ii) the transfer or license of any Proprietary Right (as defined in Section 4.9 below) to or from Parent, other than licenses arising from the purchase of "off the shelf" or other standard products and other than agreements entered into in the ordinary course of business, each of which agreements are not, individually, material to Parent's business, (iii) provisions restricting the development, manufacture, or distribution of Parent's products or services, or (iv) indemnification by Parent with respect to infringements of Proprietary Rights other than indemnification obligations arising from license agreements entered into in the ordinary course of business. For the purposes of meeting the foregoing threshold of $50,000, all indebtedness, liabilities, agreements, understandings, instruments, contracts, and proposed transactions involving the same person or entity (including persons or entities Parent has reason to believe are affiliated therewith) shall be aggregated.

(b) Except as set forth in Section 4.7 of the Parent Disclosure Schedule, Parent has not (i) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or any other liabilities individually in excess of $25,000 or, in the case of indebtedness and/or liabilities individually less than $25,000, in excess of $50,000 in the aggregate (other than the Convertible Notes), (iii) made any loans or advances to any person, other than ordinary advances for travel expenses, or (iv) sold, exchanged, or otherwise disposed of any of its assets or rights, other than the sale of its inventory in the ordinary course of business. For the purposes of meeting the foregoing thresholds of $25,000 and $50,000, all indebtedness, liabilities, agreements, understandings, instruments, contracts, and proposed transactions involving the same person or entity (including persons or entities Parent has reason to believe are affiliated therewith) shall be aggregated.

(c) Parent is not a party to and is not bound by any contract, agreement, or instrument, or subject to any restriction under its Restated Certificate or Bylaws, that materially and adversely affects Parent's business, properties, assets, prospects, or financial condition.

Section 4.8. Compliance with Other Instruments. Except as set forth in Section 4.8 of the Parent Disclosure Schedule, Parent is not in violation or default of any provision of its Restated Certificate or Bylaws, each as of the date hereof and to be amended and in effect as of the Closing. Parent is not in violation or default of any provision of any instrument, mortgage, deed of trust, loan, contract, commitment, judgment, writ, decree, order, or obligation to which it is a party or by which it or any of its properties or assets are bound which would materially adversely affect Parent's business, properties, assets, prospects, or financial condition or, to the best of Parent's Knowledge, of any provision of any federal, state, or local statute, rule, or governmental regulation applicable to Parent which, individually or in the aggregate, would materially adversely affect Parent's business, properties, assets, prospects, or financial condition, taken as a whole. The execution, delivery, and performance of and compliance with this Agreement and the Ancillary Agreements and the issuance and sale of the Shares will not result in any such violation, be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision (other than any consents or waivers that have been obtained and which are identified on Section 4.8 of the Parent Disclosure Schedule), or result in the creation of any mortgage, pledge, lien, encumbrance, or charge upon any of the properties or assets of Parent pursuant to any such provision, or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to Parent, its business or operations, or any of its assets or properties pursuant to any such provision.

Section 4.9. Intellectual Property. All patents, patent applications, registered trademarks, trademark applications and copyright registrations owned by or recorded in the name of Parent (the "Parent Registered Proprietary Rights") are set forth on Section 4.9(a) of the Parent Disclosure Schedule. Parent Registered Proprietary Rights is subsisting and unexpired. Except as set forth on Section 4.9(b) of the Parent Disclosure Schedule, Parent has exclusive ownership, free of material liens and material adverse rights and interests of others, of all Parent Registered Proprietary Rights. To Parent's Knowledge, Parent owns or has the right to use all intellectual property, including without limitation all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights, and processes, and all applications and registrations of the foregoing (collectively, "Proprietary Rights") necessary to operate its business as now conducted and as proposed to be conducted within the twelve (12) months following the date of this Agreement. Except as set forth on Section 4.9(c) of the Parent Disclosure Schedule, and other than agreements entered into in the ordinary course of business, each of which agreements are not exclusive or, individually, material to Parent's business, there are no outstanding options, licenses, or agreements of any kind relating to any Proprietary Rights

owned by Parent, nor is Parent bound by or a party to any such options, licenses, or agreements of any kind with respect to the Proprietary Rights of any other person or entity. To Parent's Knowledge, no person or entity is violating any of Parent's Proprietary Rights. To Parent's Knowledge, Parent has not violated and, by conducting its business as proposed to be conducted within the twelve (12) months following the date of this Agreement, will not violate any of the Proprietary Rights of any other person or entity. Parent has not received any written communications alleging that Parent has violated, or by conducting its business as proposed to be conducted within the twelve (12) months following the date of this Agreement, would violate the Proprietary Rights of any other person or entity. To the best of Parent's Knowledge, (i) none of Parent's employees or consultants are obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of Parent or that would conflict with Parent's business as proposed to be conducted within the twelve (12) months following the date of this Agreement, (ii) neither the carrying on of Parent's business by the employees of Parent, nor the conduct of Parent's business as proposed to be conducted within the twelve (12) months following the date of this Agreement, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of such employees or consultants is now obligated, and (iii) none of Parent's current employees or consultants is, by virtue of such employee's or consultant's activities in connection with Parent's business, violating, infringing, or misappropriating any Proprietary Rights of any former employer of such employee or consultant. To Parent's Knowledge, the execution and delivery of this Agreement and the Ancillary Agreements will not conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of Parent's employees or consultants is now obligated. Parent does not believe it is or will be necessary to utilize any inventions of any of its employees (or people it currently intends to hire) made prior to or outside the scope of their employment by Parent. Parent takes commercially reasonable actions to protect and maintain its Proprietary Rights, including the confidentiality of material trade secrets.

Section 4.10. Employees. Except as set forth on Section 4.10 of the Parent Disclosure Schedule, each current and former employee of Parent and each current and former consultant to Parent has executed a current proprietary information agreement assigning to Parent all of his or her rights in all inventions and Proprietary Rights, in the form made available to the Company in all material respects. No current or former employee or consultant has excluded works or inventions made prior to his or her employment or consulting relationship with Parent from his or her assignment of inventions to Parent. To Parent's Knowledge, no officer or key employee is in violation of any prior employee contract, proprietary information agreement, or noncompetition agreement. No employees of Parent are represented by any labor union or covered by any collective bargaining agreement, nor are there any union organization activities pending or, to Parent's Knowledge, threatened by Parent's employees. There is no pending or, to Parent's Knowledge, threatened labor dispute involving Parent and any group of its employees. Parent has complied in all material respects with all applicable state and federal equal opportunity, minimum wage, immigration, workforce reduction, and other laws related to
employment and termination of employment. Parent is not aware that any officer, key employee, or key consultant, or that any group of key employees or consultants, intends to terminate their employment with Parent, nor does Parent have a present intention to terminate the employment or consultancy of any of the foregoing.

Section 4.11. Related Party Transactions. Except as set forth on Section 4.11 of the Parent Disclosure Schedule and for the agreements explicitly contemplated hereby and by the Ancillary Agreements, there are no agreements, understandings, or proposed transactions between Parent and any of its officers, directors, affiliates, or any affiliate thereof. No employee, officer, director, or stockholder of Parent or member of his or her immediate family is indebted to Parent. Except as set forth on Section 4.11 of the Parent Disclosure Schedule, there are no obligations of Parent to employees, officers, directors, or stockholders of Parent (or commitments to make loans or extend or guarantee credit) other than for payment of salary for services rendered, reimbursement for reasonable expenses incurred on behalf of Parent, and for other standard employee benefits made generally available to all employees. Except as set forth on Section 4.11 of the Parent Disclosure Schedule, no employee, officer, director, or stockholder of Parent or member of his or her immediate family is entitled to any bonus, acceleration of benefits, or payment as the result of any change of control of Parent, any termination of employment, or any other event or combination of events. To Parent's Knowledge, no employee, officer, director, or stockholder of Parent or member of his or her immediate family has any direct or indirect ownership interest in any firm or corporation with which Parent is affiliated or with which Parent has a business relationship, or any firm or corporation that competes with Parent, except that employees, officers, directors, or stockholders of Parent and members of their immediate families may own stock in publicly traded companies (representing less than 1% of the outstanding stock of such company) that may compete with Parent. No member of the immediate family of any officer or director of Parent is directly or indirectly interested in any material contract with Parent.

Section 4.12. Litigation. There is no action, suit, proceeding, or investigation (including without limitation any suit, proceeding, or investigation involving the prior employment of any of Parent's employees, their use in connection with Parent's business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers) pending or, to Parent's Knowledge, currently threatened (including cease and desist letters or invitations to take a patent license) before any court, administrative agency, arbitration body, or other governmental body (nor, to Parent's Knowledge, is there any basis for any such action, suit, proceeding or investigation). Neither Parent nor, to Parent's Knowledge, any of its directors or officers as key employers, is a party or subject to, and none of its assets, properties or rights is bound by, the provisions of any order, writ, injunction, judgment, or decree of any court or government agency or instrumentality. There is no action, suit, or proceeding by Parent currently pending or that Parent intends to initiate.

Section 4.13. Title to Property and Assets. Except as set forth on Section 4.13 of the Parent Disclosure Schedule, Parent has good and marketable title to all of its properties and assets (other than Proprietary Rights, the representations and warranties relating to which are set forth in Section 4.9) that it owns free and clear of all mortgages, liens, loans, and encumbrances, except liens for current taxes and assessments not yet due and minor liens and encumbrances which arise in the ordinary course of business and which do not, in any case, in the aggregate, materially detract from the value or use of the property subject thereto or materially impair the operations of Parent. With respect to the property and assets it leases, Parent is in compliance with such leases and holds a valid leasehold interest free of all liens, claims, or encumbrances.

Section 4.14. Permits. Except with respect to Proprietary Rights (the representations and warranties to which are set forth in Section 4.9), Parent has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would materially and adversely affect Parent's business, properties, assets, prospects, or financial condition, and Parent believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted. Parent is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority.

Section 4.15. Employee Benefit Plans. Except as set forth on Section 4.15 of the Parent Disclosure Schedule, Parent does not have any Employee Benefit Plan as defined in the Employee Retirement Income Security Act of 1974.

Section 4.16. Tax Returns, Payments, and Elections. Except as set forth on Section 4.16 of the Parent Disclosure Schedule, Parent has filed all tax returns and reports (federal, state, and local) as required by law, and such returns and reports are true and correct in all material respects and Parent has paid all taxes and other assessments due and has made adequate provisions for the payment of all other taxes and assessments as reflected on the Financial Statements (as defined in Section 4.18 below). Parent has not elected pursuant to the Code, to be treated as a Subchapter S corporation or a collapsible corporation pursuant to Section 1362(a) or Section 341(f) of the Code, nor has it made any other elections pursuant to the Code (other than elections that relate solely to methods of accounting, depreciation, or amortization) that would have a material effect on Parent's business, properties, assets, prospects, or financial condition. Parent has never had any tax deficiency proposed or assessed against it and has not executed any waiver of any statute of limitations on the assessment or collection of any tax or governmental charge. None of Parent's federal income tax returns and none of its state income or franchise tax or sales or use tax returns has ever been audited by governmental authorities. Parent has withheld or collected from each payment made to each of its employees, the amount of all taxes (including, but not limited to, federal income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes) required to be withheld or collected therefrom, and has paid the same to the proper tax-receiving officers or authorized depositories. Neither Parent nor Acquisition HoldCo has any plan or intention to liquidate Acquisition HoldCo, merge Acquisition HoldCo with any other entity or convert Acquisition HoldCo into a limited liability company or other non-corporate entity following the Merger.

Section 4.17. Environmental and Safety Laws. To Parent's Knowledge, Parent is not in violation of any applicable statute, law, or regulation relating to the environment or occupational health and safety, and no material expenditures are required in order to comply with any such existing statute, law, or regulation.

Section 4.18. Financial Statements. Parent has made available to the Company its (a) unaudited income statement, balance sheet, and statement of cash flows as of September 30, 2013, and (b) unaudited income statement, balance sheet and statement of cash-flows for the year ended December 31, 2012 (collectively, the "2013 Parent Financial Statements"). The 2013 Parent Financial Statements are complete and correct in all material respects, have been prepared in accordance with GAAP, and present fairly the financial condition and operating results of Parent as of the dates and for the periods indicated, subject to normal immaterial year-end audit adjustments and except that the 2013 Parent Financial Statements may not contain footnotes as would be required by GAAP. Except as disclosed in the 2013 Parent Financial Statements, Parent is not a guarantor or indemnitor of any indebtedness of any other person or entity. Parent maintains and will continue to maintain a standard system of accounting established and administered in accordance with generally accepted accounting principles.

Section 4.19. Changes. Since September 30, 2013, there has not been:

(a) any change in the assets, liabilities, financial condition, or operating results of Parent from that reflected in the 2013 Parent Financial Statements, except changes in the ordinary course of business that have not been and are not expected to be, individually or in the aggregate, materially adverse;

(b) any damage, destruction, or loss, whether or not covered by insurance, materially and adversely affecting Parent's business, properties, assets, prospects, or financial condition (as such business is presently conducted and as it is proposed to be conducted);

(c) any waiver or compromise by Parent of a valuable right or of a material debt owed to it;

(d) any satisfaction or discharge of any lien, claim, or encumbrance or payment of any obligation by Parent, except in the ordinary course of business and that is not material to Parent's business, properties, assets, prospects, or financial condition (as such business is presently conducted and as it is proposed to be conducted);

(e) any material change or amendment to a material contract or arrangement by which Parent or any of its assets or properties is bound or subject;

(f) any material change in any compensation arrangement or agreement with any employee, officer, director, or stockholder;

(g) any sale, assignment, or transfer of any Proprietary Assets;

(h) any resignation or termination of employment of any officer, key employee, or key consultant, or any group of key employees or consultants, of Parent;

(i) receipt of notice that there has been a loss of, or material order cancellation by, any important customer of Parent;

(j) any mortgage, pledge, transfer of a security interest in, or lien created by Parent, with respect to any of its material properties or assets, except liens for taxes not yet due or payable;

(k) any material change in the contingent obligations of Parent by way of guaranty, endorsement, indemnity, warranty, or otherwise, except as set forth on Section 4.19(k) of the Parent Disclosure Schedule;

(l) any declaration, setting aside of payment, or other distribution in respect of any of Parent's capital stock, or any direct or indirect redemption, purchase, or other acquisition of any of such stock by Parent;

(m) any other event or condition of any character that will materially and adversely affect Parent's business, properties, assets, prospects, or financial condition (as such business is presently conducted and as it is proposed to be conducted); or

(n) any agreement or commitment by Parent to do any of the things described in this Section 4.19.

Section 4.20. Registration Rights; Voting Rights. Except as provided in the Ancillary Agreements, (i) Parent has not granted or agreed to grant, and is not under any obligation to provide, any rights to register under the Securities Act any of its presently outstanding securities or any of its securities that may be issued subsequently, and (ii) to Parent's Knowledge, no stockholder of Parent has entered into any agreement with respect to the voting of equity securities of Parent.

Section 4.21. Disclosure. Parent has made available to the Company all the information reasonably available to Parent that the Company has requested for deciding whether to accept the Merger Shares, including certain of Parent's projections describing its proposed business plan (the "Business Plan"). No representation or warranty of Parent contained in this Agreement, as qualified by the Parent Disclosure Schedule, and no certificate furnished or to be furnished to the Company at the Closing contains any untrue statement of a material fact or, to Parent's Knowledge, omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The Business Plan was prepared in good faith; however, Parent does not warrant that it will achieve any results projected in the Business Plan. It is understood that this representation is qualified by the fact that Parent has not delivered to the Company, and has not been requested to deliver, a private placement or similar memorandum or any written disclosure of the types of information customarily furnished to purchasers of securities.

Section 4.22. Brokers. Neither the Company nor any Company Subsidiary shall directly or indirectly be obligated to pay or bear (e.g., by virtue of any payment by or obligation of any of the Parent, Acquisition HoldCo or Acquisition Corp. at or at any time after the Closing) any brokerage, finder's or other fee or commission to any broker, finder or investment banker in connection with the transactions contemplated by this Agreement based on arrangements made by or on behalf of the Parent, Acquisition HoldCo or Acquisition Corp.

Section 4.23. Financial Capability. Parent has sufficient cash on hand or financing available under existing credit facilities to pay all cash amounts to be paid by it hereunder on and after the Closing Date and to pay all related fees and expenses. Parent acknowledges and agrees that its obligations to consummate the transactions contemplated hereby are not contingent upon its ability to obtain any third party financing.

ARTICLE V COVENANTS AND ADDITIONAL AGREEMENTS.

Section 5.1. Conduct of Business. The Company covenants and agrees that at all times from and after the date of this Agreement until the Effective Time (except as expressly contemplated or permitted by this Agreement, or to the extent that Parent otherwise shall consent in writing) (which consent shall not be unreasonably withheld):

(a) The Company shall, and shall cause each Company Subsidiary to, conduct its business only in, and shall not take any action except in, the ordinary course of business consistent with past practice in all material respects.

(b) Without limiting the generality of paragraph (a) of this Section 5.1, (i) the Company shall use, and shall cause each Company Subsidiary to use, its commercially reasonable efforts, to preserve intact its present business organization, to maintain its assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on its tangible assets and businesses in such amounts and against such risks and losses as are currently in effect, to preserve its relationship with material customers and suppliers and others having significant business dealings with them and to comply in all material respects with all Laws and orders of all governmental or regulatory authorities applicable to any of them, and (ii) the Company shall not, and shall not permit any Company Subsidiary to:

(1) amend or propose to amend its certificate of incorporation or by-laws or any equivalent organizational documents of any Company Subsidiary except for amendments required by this Agreement;

(2) (w) declare, set aside or pay any dividends on or make other distributions in respect of any of its capital stock, (x) split, combine, reclassify or take similar action with respect to any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, (y) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such liquidation or a merger, consolidation, restructuring, recapitalization or other reorganization (other than the approvals of the Merger required by the DGCL and this Agreement) or (z) directly or indirectly redeem, repurchase or otherwise acquire any shares of its capital stock or any option with respect thereto (except for repurchases pursuant to outstanding agreements);

(3) issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or any option, warrant or similar right with respect thereto other than upon exercise or conversion of an Option or Company Preferred Stock outstanding on the date of this Agreement;

(4) acquire (by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner) any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets other than the acquisition of assets in the ordinary course of business consistent with past practice;

(5) except to the extent required by applicable law, (x) permit any change in (A) any pricing, marketing, purchasing, investment, accounting, financial reporting, inventory, credit, allowance or Tax practice or policy or (B) any method of calculating any bad debt, contingency or other reserve for accounting, financial reporting or Tax purposes or (y) make any material Tax election or settle or compromise any Tax liability;

(6) except as otherwise provided in this Agreement or as set forth in Section 5.1(b)(6) of the Company Disclosure Schedule, (x) except to the extent such incurrence would not be in violation of or require disclosure pursuant to the terms of this Agreement, incur (which shall not be deemed to include entering into credit agreements, lines of credit or similar arrangements until borrowings are made under such arrangements) any indebtedness for borrowed money or guarantee any such indebtedness or (y) voluntarily purchase, cancel, prepay or otherwise provide for a complete or partial discharge in advance of a scheduled repayment date with respect to, or waive any right under, any indebtedness for borrowed money;

(7) except as set forth in Section 5.1(b)(7) of the Company Disclosure Schedule and except for the actions with respect to stock options and the Company Stock Plan expressly provided for in this Agreement, and except as required by law, enter into, adopt, amend in any material respect or terminate (other than in accordance with its terms) any benefit plans or other agreement, arrangement, plan or policy between the Company and one or more of its directors, officers, employees or consultants, or increase in any manner the compensation or fringe benefits of any director, officer, employee or consultant or pay any benefit not required by any plan or arrangement in effect as of the date hereof;

(8) increase, or agree to increase, the compensation or benefits payable, or to become payable, to its officers or employees or grant any severance or termination pay to any of its directors, officers or other employees, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee; provided, however, that the foregoing provisions of this subsection shall not apply to any amendments to employee benefit plans described in Section 3(3) of ERISA that is required by Law;

(9) except for the amendments to the Options and the Company Stock Plan expressly provided for in this Agreement or as set forth in the Company Disclosure Schedule, enter into any contract or amend or modify any existing contract, or engage in any new transaction outside the ordinary course of business consistent with past practice or not on an arm's length basis, with any Affiliate of the Company;

(10) waive or agree to any extension of any limitations period in respect of Taxes;

(11) take any action or omit to take any action which would result in a breach, violation or inaccuracy of any representation, warranty, covenant or agreement of the Company or any Company Subsidiary made in this Agreement;

(12) enter into any contract or agreement which would require the consent of the other party thereto to consummate the transactions contemplated hereby;

(13) enter into, terminate or, other than in the ordinary course of business, amend, any lease or sublease of any real property or purchase or sell any real property or any interest therein; or

(14) enter into any contract, agreement, commitment or arrangement to do or engage in any of the foregoing.

(c) Subject to applicable law, until the Effective Time, the Company shall (i) confer on a regular and frequent basis with Parent and/or its Affiliates with respect to its business and operations, the business and operations of each Company Subsidiary and other matters relevant to the Merger, provided that, in no event shall Parent direct or advise the Company with respect to the business or the operations of the Company or any Company Subsidiary, and (ii) promptly advise Parent, in writing, of any change or event, including any communication with the FDA, any communication regarding a license or sublicense, any complaint, investigation or hearing by any Governmental Entity (or communication indicating the same may be contemplated) or the institution or threat of litigation, except for any change or event that would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect or materially and adversely affect the ability of the Company to consummate the transactions contemplated hereby.

Section 5.2. No Solicitations. Until the Effective Time and unless this Agreement shall have been terminated pursuant to Section 8.1, the Company shall not authorize or permit any officer, director, stockholder, employee, investment banker, financial advisor, attorney, accountant or other agent or representative of the Company (each, a "Representative"), directly or indirectly, to initiate, solicit, encourage, or, participate in any negotiations regarding, furnish

any confidential information in connection with, endorse or otherwise cooperate with, assist, participate in or facilitate the making of any proposal or offer for, or which may reasonably be expected to lead to, an Acquisition Transaction, by any Person, or group (a "Potential Acquiror"). The Company shall promptly inform Parent, orally and in writing, of the material terms and conditions of any proposal or offer for, or which may reasonably be expected to lead to, an Acquisition Transaction that it receives and the identity of the Potential Acquiror. The Company will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted on or prior to the date of this Agreement heretofore with respect to any Acquisition Transaction. As used in this Agreement, "Acquisition Transaction" means any merger, consolidation or other business combination involving the Company or any Company Subsidiary, or any acquisition in any manner of all or a substantial portion of the equity of, or all or a substantial portion of the assets of, the Company and the Company Subsidiaries, whether for cash, securities or any other consideration or combination thereof, other than pursuant to the transactions contemplated by this Agreement.

Section 5.3. Access to Information; Support; Confidentiality.

(a) The Company shall, and shall cause each Company Subsidiary to, throughout the period from the date hereof to the Effective Time, (i) provide Parent and its Affiliates and their respective Representatives with full access, upon reasonable prior notice, during normal business hours to all officers, employees, agents, accountants and customers of the Company or any Company Subsidiary, and their respective assets, properties, books and records and (ii) furnish promptly to such persons (x) a copy of each report, statement, schedule and other document filed or received by the Company or any Company Subsidiary pursuant to the requirements of federal or state securities laws or filed with any other governmental or regulatory authority, and (y) all other information and data (including copies of contracts, benefit plans and other books and records) concerning the business, employees and operations of the Company and any Company Subsidiary (including product development) as Parent or any of such other persons reasonably may request upon reasonable advance notice and at Parent's sole cost. No investigation pursuant to this paragraph or otherwise shall affect any representation or warranty contained in this Agreement or any condition to the obligations of the parties hereto.

(b) Without limiting any covenant contained in this Article V, Parent and the Company shall each, and Company shall cause each Company Subsidiary to (a) use commercially reasonable efforts to assemble, prepare and file any information (and, as needed, to supplement such information) as may be reasonably necessary to obtain as promptly as practicable all governmental and regulatory consents required to be obtained in connection with the transactions contemplated hereby, (b) use commercially reasonable efforts to obtain all material consents and approvals of third parties that any of Parent, the Company, any Company Subsidiary or their respective Affiliates are required to obtain in order to consummate the Merger, and (c) take such other actions as may reasonably be necessary or as either party may reasonably request to satisfy the conditions of Article VI or otherwise to comply with this Agreement and to consummate the transactions contemplated hereby as soon as practicable.

(c) Until the fifth anniversary of the Closing Date, except as required by Law or stock exchange rule, the Stockholders' Representative will treat and hold as confidential all confidential information concerning the business and operations of the Company and each Company Subsidiary, in oral, written, graphic or electronic form, including trade secrets concerning their business and affairs, that is not generally available to the public (the "Post-Closing Confidential Information"), refrain from disclosing any of such Post-Closing Confidential Information except in connection with this Agreement or the transactions contemplated hereby, and destroy, at the request of Parent, all tangible embodiments (and all copies) of the Post-Closing Confidential Information that are in their possession; provided, however, that (i) the Stockholders' Representative may retain archival copies of the Post-Closing Confidential Information to enable the Stockholders and the Stockholders' Representative to comply with their respective obligations under this Agreement or any Collateral Document or as necessary to meet any other legal or regulatory requirements or internal audit or internal document retention or other compliance requirements, to prosecute, defend or settle any Action or indemnification claim or to maintain a record of materials transferred or disclosed to Parent, and (ii) the foregoing shall not prohibit disclosure of any Post-Closing Confidential Information by the Stockholders' Representative to its Representatives or to the Stockholders and Management Incentive Grant Recipients who are bound by similar obligations of confidentiality. In the event that the Stockholders' Representative or any of its Representatives is requested or required by any regulatory authority or pursuant to written or oral question or request for information or documents or otherwise in any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process to disclose any Post-Closing Confidential Information, the Stockholders' Representative shall as promptly as practicable and to the extent legally permitted notify Parent of the request or requirement so that Parent may seek (at its sole expense) an appropriate protective order or waive compliance with the provisions of this Section 5.3(c). If, in the absence of a protective order or the receipt of a waiver hereunder, the Stockholders' Representative or any of its Representatives is required to disclose any Post-Closing Confidential Information, the Stockholders' Representative or its Representative, as applicable, may disclose such Post-Closing Confidential Information without breaching this Section 5.3(c); provided, however, that such Person shall cooperate (at the sole expense of Parent) with Parent's efforts to obtain an order or other assurance that confidential treatment will be accorded to such portion of the Post-Closing Confidential Information required to be disclosed as Parent may designate. The foregoing provisions shall not apply to any Post-Closing Confidential Information that is (a) generally available to the public unless such Post-Closing Confidential Information is so available due to a breach of this Section 5.3(c) by the Stockholders' Representative or its Representatives, (b) disclosed to any Governmental Entity, (c) available to the Stockholders' Representative from another source that is (to the knowledge of the Stockholders' Representative) not disclosing such Post-Closing Confidential Information in violation of a fiduciary or contractual duty to the Company or any Company Subsidiary or (d) independently developed by the Stockholders' Representative without reference to any of the Post-Closing Confidential Information. Notwithstanding the foregoing, the Stockholders, the Management Incentive Grant Recipients and the Stockholders' Representative may retain copies of books and records relating to Taxes of the Company and each Company Subsidiary for any taxable period or portions thereof ending on or before the Closing Date.

Section 5.4. Company Stockholder Approval. On or before the date of this Agreement, each of the Stockholders listed on Exhibit A have executed and delivered to the Parent a Voting Agreement and Release. The Company shall, promptly after the execution of this Agreement, obtain the approval and adoption of this Agreement, the Merger, and the other transactions contemplated by this Agreement by the required vote of the Stockholders under the DGCL and the Company's certificate of incorporation and by-laws and following such consent provide written notice of such action to each of the Stockholders that has not executed the Voting and Release Agreement in accordance with the DGCL.

Section 5.5. Prior Knowledge. If Parent shall have knowledge on or prior to the Closing Date of the existence or occurrence of any fact or event which has caused, or is reasonably expected to cause, any inaccuracy or breach by the Company of any representation, warranty, covenant or other obligation hereunder, then Parent shall notify the Company and the Stockholders' Representative promptly of such matter in writing. If Parent fails to inform the Company and the Stockholders' Representative of such fact or event as provided herein, such failure to notify will constitute a waiver and release by Parent of any rights it may have hereunder, including any right to delay the Closing or terminate this Agreement as a result of such representation warranty, covenant or agreement being untrue or inaccurate because of such fact or event.

Section 5.6. Supplemental Disclosure. The Company may, from time to time prior to or at the Closing, by notice in accordance with the terms of this Agreement, supplement, amend or create any Company Disclosure Schedule in order to add information or correct previously supplied information; provided, however, that the foregoing proviso shall not apply to any supplement, amendment or addition that relates to any event or set of circumstances that occurred or existed prior to the date hereof. It is agreed that the Company Disclosure Schedule may be amended to add immaterial, as well as material, items thereto. No such supplemental, amended or additional Company Disclosure Schedule shall be deemed to cure any breach for purposes of Article VII; provided, that if the Closing occurs, then any such supplement, amendment or addition will be effective to cure and correct for all other purposes any breach of any representation, warranty or covenant that would have existed if the Company had not made such supplement, amendment or addition, and all references to any Company Disclosure Schedule hereto that is supplemented or amended as provided in this Section 5.6 shall for all purposes after the Closing be deemed to be a reference to such Company Disclosure Schedule as so supplemented or amended.

Section 5.7. Company Stock Plan. The Company has taken all steps necessary to ensure that the Company is not or will not be bound by any Options, other options, warrants, rights or agreements which would entitle any person, other than the current stockholders of Acquisition Corp. or its Affiliates, to acquire any capital stock of the Surviving Corporation or its Affiliates.

Section 5.8. Fulfillment of Conditions. Subject to the terms and conditions of this Agreement, each of Parent and the Company will take or cause to be taken all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each condition to the other's obligations contained in this Agreement and to consummate and make effective the transactions contemplated by this Agreement, and neither the Company nor Parent will, take or fail to take any action that could be reasonably expected to result in the nonfulfillment of any such condition.

Section 5.9. Director and Officer Indemnity.

(a) From and after the Effective Time, Parent and Surviving Corporation agree to indemnify and hold harmless, and provide advancement of expenses to, all past and present officers, all past and present directors of the Company and any person who becomes an officer or director of the Company after the date hereof but prior to the Effective Time to the same extent as such persons are indemnified as of the date of this Agreement pursuant to the Amended and Restated Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware August 13, 2012, the by-laws of the Company as in effect on the date hereof and any indemnification agreement between the Company and such officers and directors for acts or omissions occurring at or prior to the Effective Time (including claims for indemnification related to acts or omission taken in connection with the consideration and approval of the transaction contemplated by this Agreement).

(b) At the Effective Time and for a period of six (6) years from the Effective Time, the Surviving Corporation shall cause to be maintained in effect in the certificate of incorporation and bylaws (and other comparable charter documents) of it or any successor of it, provisions with respect to exculpation, indemnification and advancement of expenses that are at least as favorable to the intended beneficiaries as those presently contained in the certificate of incorporation and by-laws of the Company in effect immediately prior to the Effective Time to the extent permitted by law.

(c) The rights of each indemnified party hereunder shall be in addition to, and not in limitation of, any other rights such indemnified party may have under the certificate of incorporation or by-laws of the Company, any employment agreement or indemnification agreement in effect as of the date of the date hereof, the DGCL or otherwise. The provisions of this Section 5.9 shall survive the consummation of the Merger.

(d) If Parent or Surviving Corporation or any of its successors or assigns consolidates with or merges into any other entity and is not the continuing or surviving entity of such consolidation or merger or transfers all or substantially all of its assets to any other entity, then and in each case, Parent or Surviving Corporation, as applicable, will cause proper provision to be made so that the successors and assigns of Parent or Surviving Corporation, as applicable, shall assume the obligations set forth in this Section 5.9.

(e) The provisions of this Section 5.9 are expressly intended to be for the benefit of, and shall be enforceable by, each indemnified party and his or her heirs, estates and personal representatives.

Section 5.10. Management Incentive Grants. Parent shall take all steps necessary to obtain the approval by its board of directors and stockholders, to the extent required by the Restated Certificate, the Ancillary Agreements and the DGCL, to issue the Management Incentive Grants to the Management Incentive Grant Recipients and to execute and deliver the Restricted Stock Agreements as contemplated by Section 2.9.

ARTICLE VI CONDITIONS TO CLOSING.

Section 6.1. Conditions to the Obligations of Parent, Acquisition HoldCo and Acquisition Corp. The obligation of Parent, Acquisition HoldCo and Acquisition Corp. to effect the Merger, is subject to the fulfillment on or prior to the Closing Date of each of the following conditions (all or any of which, other than Section 6.1(d), may be waived by Parent in its sole discretion):

(a) Performance of Obligations; Representations and Warranties. The Company shall have performed and complied in all material respects with all covenants and agreements contained in this Agreement that are required to be performed or complied with by it prior to or at the Closing Date, and, each of the Company's and any Company Subsidiary's representations and warranties contained in Article III of this Agreement shall be true and correct in all material respects (if not qualified by Company Material Adverse Effect or materiality) and in all respects (if qualified by Company Material Adverse Effect or materiality) as of the date hereof and as of the Closing Date other than in the case of representations and warranties made as of a specified date earlier than the Closing Date, which shall have been true and correct in all material respects (if not qualified by Company Material Adverse Effect or materiality) and in all respects (if qualified by Company Material Adverse Effect or materiality) as of such specified date, and the Company shall have delivered to Parent a certificate, dated the Closing Date executed on behalf of the Company by its Chairman, President or a Vice President, to such effect.

(b) Resignations. The Company shall have delivered to Parent a resignation letter from each of the directors and officers of the Company and from each of the directors and officers of any Company Subsidiary, as instructed in writing by Parent. Such resignations are to be effective at the Effective Time.

(c) Consents. The Company and each Company Subsidiary shall have received or made the consents, approvals, authorizations, permissions, notices and filings listed on Schedule 6.1(c) and all of them shall be in form and substance satisfactory to Parent, Acquisition HoldCo and Acquisition Corp.

(d) Stockholder Approval. The Company shall have obtained the approval by its stockholders of this Agreement, to the extent required by the Company's certificate of incorporation and the DGCL and shall have provided to Parent evidence of such approval ("Company Stockholder Approval"). For the avoidance of doubt, the delivery to Parent of an executed Voting and Release Agreement by the Stockholders listed on Exhibit A shall constituted evidence of the Company Stockholder Approval.

(e) Illegality. There shall not have been issued and be in effect any order, decree or judgment of any court or tribunal of competent jurisdiction which makes the consummation of the Merger illegal.

(f) Secretary's Certificate. The Company shall have delivered to Parent a certificate executed by the Secretary of the Company attaching and certifying as to the Company's current certificate of incorporation and by-laws and the resolutions of the Company's Board of Directors and stockholders approving this Agreement and the transactions relating thereto.

(g) Rights Agreement. Each of the Persons identified on Schedule 6.1(g) shall have executed and delivered to Parent the Second Amended and Restated Investors' Rights Agreement (the "Rights Agreement") in substantially the form attached as Exhibit H.

(h) Voting Agreement. Each of the Persons identified on Schedule 6.1(h) shall have executed and delivered to Parent the Second Amended and Restated Voting Agreement, as amended as of the Closing (the "Voting Agreement") in substantially the form attached as Exhibit I.

(i) Escrow Agreement. Parent shall have received an executed counterpart of the Escrow Agreement signed by each party thereto other than Parent.

(j) Accredited Investor List. The Company shall have delivered to Parent the Accredited Investor List.

Section 6.2. Conditions to the Obligations of the Company. The obligation of the Company to effect the Merger is subject to the fulfillment at or prior to the Closing Date of each of the following conditions (all of which may be waived by the Company in its sole discretion).

(a) Performance of Obligations; Representations and Warranties. Parent, Acquisition HoldCo and Acquisition Corp. shall have performed and complied in all material respects with all covenants and agreements contained in this Agreement that are required to be performed or complied with by them prior to or at the Closing Date and each of the representations and warranties of Acquisition HoldCo, Acquisition Corp. and Parent contained in Article IV of this Agreement shall be true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) as of the date hereof and as of the Closing Date other than in the case of representations and warranties made as of a specified date earlier than the Closing Date, which shall have been true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) as of such specified date, and each of Parent, Acquisition HoldCo and Acquisition Corp. shall have delivered to the Company a certificate, dated the Closing Date executed on behalf of each of them by an authorized officer, to such effect.

(b) Stockholder Approval. This Agreement shall have been adopted by the requisite vote of the stockholders of the Company, to the extent required by the Company's certificate of incorporation and the DGCL.

(c) Illegality. There shall not have been issued and be in effect any order, decree or judgment of any court or tribunal of competent jurisdiction which makes the consummation of the Merger illegal.

(d) Secretary's Certificate. Parent shall have delivered to the Company a certificate executed by the Secretary of Parent attaching and certifying as to Parent's current certificate of incorporation and by-laws and the resolutions of Parent's Board of Directors approving this Agreement and the transactions relating thereto.

(e) Escrow Agreement. The Company shall have received an executed counterpart of the Escrow Agreement signed by each party thereto other than the Company and the Stockholders' Representative.

(f) Rights Agreement. Parent shall have executed and delivered to each of the Persons identified on Schedule 6.1(g) the Rights Agreement.

(g) Voting Agreement. Parent shall have executed and delivered to each of the Persons identified on Schedule 6.1(h) the Voting Agreement.

(h) Restated Certificate of Parent. The board of directors of Parent and the stockholders of Parent shall have adopted Parent's Restated Certificate (the "Restated Certificate") in the form attached hereto as Exhibit L which reserves an appropriate number of shares of Series B Preferred to permit the issuances contemplated by this Agreement and Parent shall have filed the Amendment with the Secretary of State of the State of Delaware on or prior to the Closing, which shall continue to be in full force and effect as of the Closing.

(i) Board of Directors of Parent. James I. Healy, M.D., Ph.D. shall have been appointed to serve as a member of the Board of Directors of Parent effective immediately following the Closing.

(j) Management Rights Agreement. Parent shall have executed Sofinnova's customary Management Rights Agreement in the form attached hereto as Exhibit K.

(k) Secondary Purchase Agreement. Cook Pharmica LLC shall have agreed to sell 1,195,000 shares of Parent Series B Preferred to Sofinnova pursuant to the Secondary Share Purchase Agreement in the form attached hereto as Exhibit L (the "Secondary Share Purchase Agreement").

(l) Parent Stockholder Approval. Parent shall have obtained the approval by its stockholders of this Agreement and the transactions contemplated by this Agreement, to the extent required by the Restated Certificate, the Ancillary Agreements and the DGCL, and shall have provided to Company evidence of such approval.

ARTICLE VII SURVIVAL; INDEMNIFICATION; TAX MATTERS.

Section 7.1. Survival. Except as otherwise provided herein, all the representations and warranties of the Company, Parent, Acquisition HoldCo and Acquisition Corp. contained in or made pursuant to this Agreement shall survive the Closing and shall remain operative and in full force and effect for a period of twelve (12) months after the Effective Time (such period being referred to as the "Indemnity Period"), regardless of any investigation or statement as to the results thereof made by or on behalf of any Person before or after the Closing, provided, however, that (a) the representations and warranties contained in Sections 3.1, 3.2, 3.3 and 3.21 (collectively, the "Company Fundamental Representations"), and Sections 4.1, 4.3, 4.5, 4.6 and 4.23 (collectively, the "Parent Fundamental Representations", shall survive after the Closing Date until thirty (30) days after the expiration of the applicable statute of limitations (including any expirations thereof); (b) the representations and warranties contained in Section 3.16 shall survive after the Effective Time until thirty (30) days after the expiration of the applicable statutes of limitations (including any extensions thereof); and (c) claims based on fraud or intentional misrepresentations shall survive after the Effective Time until thirty (30) days after the expiration of the applicable statutes of limitations (including any extensions thereof). Notwithstanding anything herein to the contrary, any representation, warranty, covenant and agreement which is the subject of a properly asserted Claim Notice prior to the expiration of the Indemnity Period shall survive solely with respect to such claim or any dispute underlying such Claim Notice until the final resolution thereof in accordance with this Article VII.

Section 7.2. Indemnification.

(a) Subject to the provisions of this Article VII, the Stockholders and Management Incentive Grant Recipients shall severally, and not jointly, indemnify Parent, its employees, agents, directors, officers, subsidiaries and its Affiliates, including Acquisition HoldCo, Acquisition Corp. and the Surviving Corporation, and the employees, agents, directors, officers and subsidiaries of its Affiliates (the "Buyer Indemnified Parties") from and against any and all damages, claims, losses (including loss of value), expenses, costs, obligations and liabilities, including liabilities for all reasonable attorneys', accountants', and experts' fees and expenses including those incurred to enforce the terms of this Agreement or any Collateral Document (collectively, "Losses") asserted against, or paid, suffered or incurred by any Buyer Indemnified Party which, directly or indirectly, arise out of, result from, are based upon or relate to: (i) (x) the breach of any representation or warranty made by the Company in this Agreement or (y) the breach by the Company of its covenants or agreements set forth in this Agreement; and (ii) Pre-Closing Tax Liabilities, except to the extent such Pre-Closing Tax Liabilities are attributable to a breach of any covenant contained in Section 7.10(f) or (g).

(b) Subject to the provisions of this Article VII, Parent shall indemnify each of the Stockholders and Management Incentive Grant Recipients and their respective employees, agents, directors, officers, subsidiaries and its Affiliates (the "Stockholder Indemnified Parties")

from and against any and all Losses asserted against, or paid, suffered or incurred by any Stockholder Indemnified Party which, directly or indirectly, arise out of, result from, are based upon or relate to: (i) the breach of any representation or warranty made by Parent, Acquisition HoldCo or Acquisition Corp. in this Agreement or (ii) the breach by Parent, Acquisition HoldCo or Acquisition Corp. of any of their respective covenants or agreements set forth in this Agreement.

Section 7.3. Limitation of Liability. After the Closing, the Indemnified Parties' rights to indemnification under Section 7.2 shall be subject to the following:

(a) (i) in no event shall the aggregate amount to be paid to the Buyer Indemnified Parties under Article VII exceed One Million Dollars ($1,000,000) (the "Overall Indemnity Cap"), which amount shall be calculated with respect any payment from the Indemnity Escrow Funds in the manner set forth in Section 7.8; (ii) in no event shall the aggregate amount to be paid to Stockholder Indemnified Parties under Section 7.2 exceed One Million Dollars ($1,000,000); and (iii) the Indemnified Parties shall be entitled to recover any Loss otherwise recoverable pursuant to Section 7.2(a)(i)(x) or Section 7.2(b)(i), as appropriate, (other than indemnification for breaches of the Company Fundamental Representations or Parent Fundamental Representations, as appropriate, to which the Indemnity Threshold Amount shall not apply) only to the extent the aggregate of Losses otherwise recoverable pursuant to Section 7.2(a)(i)(x) or Section 7.2(b)(i), as appropriate, exceeds Twenty Five Thousand ($25,000) (the "Indemnity Threshold Amount") in the aggregate; provided, that, if all such Losses exceed the Indemnity Threshold Amount, the Indemnified Parties shall be entitled to recover for all such indemnifiable Losses including the Indemnity Threshold Amount;

(b) in no event shall any Stockholder or Management Incentive Grant Recipient be required to provide indemnification under Article VII for any amount exceeding the pro rata amount of the Acquisition Price withheld from such Stockholder or Management Incentive Grant Recipient pursuant to Section 2.3 as Indemnity Escrow Funds; and

(c) the limitations set forth in this Section 7.3 shall not apply with respect to any claim arising out of or resulting from fraud or intentional misrepresentation.

Section 7.4. Additional Indemnification Limitations. The Buyer Indemnified Parties' sole recourse for indemnification due to any Loss under Section 7.2 shall be by way of release to Parent of Indemnity Escrow Funds, subject to the Overall Indemnity Cap, as set forth in Section 7.8; provided, however, the Buyer Indemnified Parties shall have the right to seek recovery of any Losses at any time directly from the Stockholders and Management Incentive Grant Recipients with respect to Losses based upon fraud or intentional misrepresentation committed by any Stockholder or Management Incentive Grant Recipient, severally and not jointly with any other Stockholder or Management Incentive Grant Recipient, as set forth in Section 7.9(i). For the avoidance of doubt, the Stockholder Indemnified Parties shall have the right to seek recovery of any Losses at any time from Parent with respect to Losses based upon fraud or intentional misrepresentation, as set forth in Section 7.9(i).

Section 7.5. Notice of Claims. If any Buyer Indemnified Party or Stockholder Indemnified Party, as applicable (each, an "Indemnified Party") reasonably believes in good faith that it has suffered or incurred any Loss for which such Indemnified Party is entitled to indemnification pursuant to this Article VII from the Stockholders/Management Incentive Grant Recipients or Parent, respectively (the "Indemnifying Party"), it shall notify the Indemnifying Party promptly in writing (at its address set forth in Section 11.5), and in any event within the applicable time period specified in Section 7.1, describing such Loss, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss shall have occurred (a "Claim Notice"); provided, however, that the Stockholders' Representative shall be deemed to be the Stockholder Indemnified Party (whether it is the Indemnified Party or the Indemnifying Party) for purposes of this Article VII. If any legal action is instituted by a third party with respect to which any of the Indemnified Parties intend to claim indemnity under this Section 7.5, such Indemnified Party shall promptly give a Claim Notice to notify the Indemnifying Party with respect to such legal action. In any event, a failure or delay in notifying the Indemnifying Party shall not affect the Indemnified Party's right to indemnity, except only to the extent such failure or delay materially and adversely prejudices the ability to defend against any legal action.

Section 7.6. Defense of Third Party Claims. Because the right to indemnity is limited as provided herein, the Indemnified Parties shall have the right to conduct and control, through counsel of their own choosing, reasonably acceptable to the Indemnifying Party, any third party legal action or other claim, but the Indemnifying Party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that if the Indemnified Parties shall fail to defend any such legal action or other claim, then the Indemnifying Party may defend, through counsel of their own choosing, such legal action or other claim, and so long as it gives the Indemnified Party at least fifteen (15) days' notice of the terms of the proposed settlement thereof and permit the Indemnified Party to then undertake the defense thereof, except as set forth below, settle such legal action or other claim and recover the amount of such settlement or of any judgment and the costs and expenses of such defense. Neither the Indemnifying Party nor the Indemnified Party shall compromise or settle any such legal action or other claim without the prior written consent of the other, which consent shall not be unreasonably withheld, except that under no circumstances shall Parent, the Stockholders' Representative or the Stockholders/Management Incentive Grant Recipients be required to consent to the entry of an order for injunctive or other non-monetary relief. All costs and expenses reasonably incurred in defending any such third party legal action or other claim, including the amount of any settlement or of any judgment, shall be paid out as provided herein.

Section 7.7. Dispute Resolution Negotiation.

(a) The Stockholders and Management Incentive Grant Recipients, on the one hand, and Parent, on the other hand, shall attempt to resolve any dispute arising out of or relating to this Agreement promptly by negotiation in good faith between an agent chosen by the Stockholders' Representative and an executive officer of Parent who has authority to settle the dispute. Each party shall give the other party involved written notice of any dispute not resolved

in the ordinary course of business. Within seven (7) days after delivery of such notice, the party receiving notice shall submit to the other a written response thereto. The notice and the response shall include: (i) a statement of each party's position(s) regarding the matter(s) in dispute and a summary of arguments in support thereof, and (ii) the name and title of the executive officer who will represent Parent and any other Person who will accompany that executive officer, in the case of Parent, or the name of the agent who will represent the Stockholders and Management Incentive Grant Recipients and any other Person who will accompany that agent, in the case of the Stockholders and Management Incentive Grant Recipients.

(b) Within fourteen (14) days after delivery of the notice, the designated agent of the Stockholders and Management Incentive Grant Recipients and the designated executive officer of Parent shall meet at a mutually acceptable time and place, and thereafter, as often as they reasonably deem necessary, to attempt to resolve the dispute. All reasonable requests for information made by one party to the other shall be honored in a timely fashion. All negotiations conducted pursuant to this Section 7.7 (and any of the parties' submissions in contemplation hereof) shall be kept confidential by the parties and shall be treated by the parties and their representatives as compromise and settlement negotiations under the Federal Rules of Evidence and any similar state rules.

Section 7.8. Indemnity Escrow Funds and Indemnity Payments.

(a) Any payment to the Buyer Indemnified Parties in respect of any claim for indemnification under this Article VII shall be made, subject to the Overall Indemnity Cap, by release of Indemnity Escrow Funds consisting of ratable portions of shares of Parent Series B Preferred (or Parent Common Stock, as applicable) and cash (based on the allocation of shares of Parent Series B Preferred and cash issued or paid by Parent in connection with payment of the Acquisition Price) to the Buyer Indemnified Parties by the Exchange Agent within five (5) business days after the date of the final determination of any amounts due and owing to the Buyer Indemnified Parties under this Article VII and pursuant to the instructions contained in the Escrow Agreement. Subject to the Overall Indemnity Cap, the portion of the Indemnity Escrow Funds released to the Buyer Indemnified Parties hereunder in the form of shares of Parent capital stock shall be valued at the higher of (i) the fair market value of such shares at the time they are released (provided that this clause (i) shall only apply in the event that shares of Parent Common Stock are publicly-traded at the time such indemnification claim is satisfied), and (ii) $4.1841 per share of Parent Series B Preferred, as adjusted to reflect any stock split, reclassification, recapitalization or similar event after the date hereof.

(b) On the expiration of the Indemnity Period, the Exchange Agent shall be instructed by Parent and the Stockholders' Representative to release all or a portion of the Indemnity Escrow Funds to the Stockholders entitled thereto in accordance with Section 7.8(f) and the instructions contained in the Escrow Agreement, such that, following such release, the value of the amount remaining of the Indemnity Escrow Funds, if any, equals the aggregate amount of claims for indemnification under this Article VII properly asserted in a Claim Notice in accordance with this Article VII prior to the expiration of the Indemnity Period but not yet resolved (such unresolved claims, the "Unresolved Indemnification Claims").

(c) To the extent applicable, the Indemnity Escrow Funds retained for the Unresolved Indemnification Claims shall be released by the Exchange Agent (to the extent not utilized to pay the Buyer Indemnified Parties for any such claims resolved in favor of the Buyer Indemnified Parties) upon their resolution in accordance with this Article VII and pursuant to the instructions contained in the Escrow Agreement.

(d) Upon the final determination of any amounts to be paid from the Indemnity Escrow Funds pursuant to this Section 7.8, each of Parent and the Stockholders' Representative shall execute joint written instructions to the Exchange Agent instructing the Exchange Agent to disburse the Indemnity Escrow Funds in accordance with this Section 7.8.

(e) Notwithstanding the foregoing or any other provision in this Agreement, to the extent any portion of the Indemnity Escrow Funds is payable pursuant to this Section 7.8 to a Stockholder who is not at such time entitled to receive the Acquisition Price pursuant to Section 2.4, such portion of the Indemnity Escrow Funds shall remain in escrow with the Exchange Agent until such time as such Stockholder is entitled to receive the Acquisition Price pursuant to Section 2.4.

(f) Release of the Indemnity Escrow Funds pursuant to this Section 7.8 to the Stockholders and Management Incentive Grant Recipients on or following the expiration of the Indemnity Period shall be allocated among the Stockholders and Management Incentive Grant Recipients as set forth on Schedule F (and which shall be further subject to Sections 2.4 and 2.6 with respect to whether such Person shall receive such payment in the form of cash or shares of Parent Series B Preferred).

(g) Any payment to the Stockholder Indemnified Parties in respect of any claim for indemnification under this Article VII shall be made by Parent by wire transfer of immediately available funds to such Stockholder Indemnified Party within ten (10) business days after the date of the final determination of any amounts due and owing to the Stockholder Indemnified Party under this Article VII.

(h) The indemnification amount to which an Indemnified Party may become entitled under this Article VII shall be net of (i) any actual recovery received by the Indemnified Party from a third party with respect to the facts giving rise to the claim for indemnification less any costs reasonably incurred by the Indemnified Party in connection with obtaining such recovery in respect of such claim and (ii) any Tax benefit actually realized by the Indemnified Party with respect to the Losses giving rise to the claim for indemnification.

Section 7.9. Exclusive Remedy. Except for (i) claims based upon fraud or intentional misrepresentation, and (ii) the remedies set forth in Section 11.9, the remedies set forth in Article VII hereof, including Section 7.2, constitute the sole and exclusive remedy for breaches of the representations, warranties, covenants and agreements contained in this Agreement.

Section 7.10. Tax Matters.

(a) The Company shall cause to be prepared and filed prior to the Closing all Tax Returns of the Company and the Company Subsidiaries that are required to be filed on or before the Closing and shall pay, prior to the Closing, all Taxes required to be paid with respect to such Tax Returns. Such Tax Returns shall be prepared in accordance with all applicable laws and consistent with past practice. The Company shall deliver to Parent, at least fifteen (15) days prior to the Effective Time, draft copies of all such Tax Returns that are required to be prepared and filed pursuant to this Section 7.10(a) for Parent's review and consent, which consent shall not be unreasonably withheld. The Company shall provide Parent with reasonable cooperation with respect to its review of the Tax Returns.

(b) Parent makes no representations or warranties to the Company or to any Stockholder or Management Incentive Grant Recipient regarding the Tax treatment of the Merger, or any of the Tax consequences to the Company, the Company Subsidiaries, any Stockholder or Management Incentive Grant Recipient or any other Person of this Agreement, the Merger or any of the other transactions or agreements contemplated hereby. The Company acknowledges that the Company and the Stockholders are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other transactions and agreements contemplated hereby.

(c) Any transfer, documentary, stamp, registration and other similar Taxes and fees (including any penalties and interest) imposed in connection with the transactions contemplated herein shall be borne 50% by the Stockholders and 50% by Parent.

(d) Parent shall prepare and file all Tax Returns of the Company and any Company Subsidiary for all Straddle Periods. For purposes of determining Pre-Closing Tax Liabilities, the portion of any Tax of the Company or the Company Subsidiaries that relates to the portion of any Straddle Period ending on the Closing Date will be: (i) in the case of real and personal property taxes and similar ad valorem taxes, deemed to be the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days of such Straddle Period in the Pre-Closing Tax Period and the denominator of which is the number of calendar days in the entire Straddle Period; and (ii) in the case of all other Taxes, determined as though the taxable year of the Company or the Company Subsidiary terminated at the close of business on the Closing Date, provided, that exemptions, allowances and deductions that are calculated on an annual basis shall be allocated between the Pre-Closing Tax Period and the period after the Closing Date in proportion to the number of days in each such period. Any Tax Returns for Straddle Periods shall be prepared in accordance with past practice unless otherwise required by Laws.

(e) [Intentionally omitted.]

(f) Following the Closing, unless required by Laws or a Governmental Entity, Parent shall not file or permit to be filed any Tax Return, including any amended Tax Return, for the Company or any Company Subsidiary for any Pre-Closing Tax Period that would increase the liability of the Stockholders and the Management Incentive Grant Recipients under Section 7.2(a)(ii) (taking into account all limitations under Article VII) without the prior written consent of the Stockholders' Representative, which shall not be unreasonably withheld.

(g) The Stockholders and Management Incentive Grant Recipients shall not have liability under Section 7.2(a)(ii) for Taxes to the extent such Taxes would not have arisen but for (i) other than transactions specifically contemplated by this Agreement, any transactions effected by Parent on the Closing Date outside of the ordinary course of business with respect to the Company or any Company Subsidiary, or (ii) any election filed under Section 338 of the Code (or comparable provision of state, local or non-U.S. law) with respect to the transactions contemplated by this Agreement.

(h) Parent and the Stockholders' Representative agree to cooperate, as and to the extent reasonably requested by the other party, in connection with (i) the preparation and filing of any Tax Return relating to the Company or any Company Subsidiary, and (ii) any examination, audit or other proceeding by a Governmental Entity with respect to any such Tax Return or otherwise with respect to Taxes of the Company or any Company Subsidiary.

ARTICLE VIII TERMINATION; EFFECT OF TERMINATION.

Section 8.1. Termination. This Agreement may be terminated at any time prior to the Closing Date, and the transactions contemplated hereby may be abandoned:

(a) by mutual written agreement of the parties hereto;

(b) by either the Company or Parent upon notification to the non-terminating party by the terminating party:

(i) at any time ninety (90) days following the date of this Agreement if the Merger shall not have been consummated on or prior to such date and such failure to consummate the Merger is not caused by a breach of this Agreement by the terminating party;

(ii) there has been a material breach of this Agreement on the part of the non-terminating party and either (x) the non-terminating party fails to cure such breach within ten (15) days following notification thereof by the terminating party or (y) the breach is not reasonably capable of being cured within ten (15) days after notice thereof.

Section 8.2. Effect of Termination.

Except for any willful breach of this Agreement by any party hereto (which breach and liability therefor shall not be affected by the terminations of this Agreement), if this Agreement is terminated pursuant to Section 8.1 hereof, then this Agreement shall become void and of no effect with no liability on the part of any party hereto (or any of their respective Representatives or Affiliates), except that (1) no party hereto shall be relieved of any obligation or liability arising from any prior breach by such party of any provision of this Agreement; and (2) the provisions of Section 5.3(c) and Article XI will continue to apply following any such termination.

ARTICLE IX FEES AND EXPENSES.

Section 9.1. Expenses. Subject to Section 9.2, each party hereto shall pay its own expenses incidental to the preparation of this Agreement, the carrying out of the provisions of this Agreement and the consummation of the transactions contemplated hereby.

Section 9.2. Stockholders of the Company. In no event shall Parent, Acquisition HoldCo, Acquisition Corp. or the Company be liable (before or after the Closing) for any fees and expenses of the Stockholders of the Company relating to the transactions contemplated by this Agreement, including legal, accounting and financial advisory fees.

ARTICLE X DEFINITIONS.

Section 10.1. Table of Definitions. As used in this Agreement the terms set forth below shall have the following meanings:

"Acquisition Price" shall mean an aggregate of five million dollars ($5,000,000), payable in a combination of (a) shares of Parent Series B Preferred, based on a Parent Series B Preferred price of $4.1841 per share as of the Effective Time and (b) cash.

"Affiliate" of a Person shall mean any other Person who directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, such first Person.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Collateral Document" shall mean any Exhibit to this Agreement and certificate or schedule delivered by a Person or any of its respective directors, officers, employees or trustees pursuant to this Agreement.

"Company Intellectual Property" shall mean the Company's Intellectual Property which would necessarily be infringed by the making, having made, using, selling, offering for sale, or importing of the Compound.

"Company Material Adverse Effect" means any change, circumstance, development, effect or occurrence that has or would reasonably be expected to have a material adverse effect on (a) the business, assets, financial condition or results of operations of the Company and the Company Subsidiaries, taken as a whole, or (b) the Company's ability to consummate the Merger pursuant to the terms hereof; provided, however, that the term "Company Material Adverse Effect" will not include any change, circumstance, development, effect or occurrence caused by (i) changes in applicable Laws or decisions by courts or any Governmental Entity, (ii) changes in GAAP or any interpretation thereof, (iii) actions or

omissions of the Company or any Company Subsidiary taken with the consent of Buyer in contemplation of the transactions contemplated under this Agreement, (iv) actions or omissions of the Company or any Company Subsidiary expressly permitted by this Agreement or any Collateral Documents, (v) general economic conditions, including changes in the credit, debt, financial, capital or reinsurance markets (including changes in interest or exchange rates, prices of any security or market index or any disruption of such markets), in each case, in the United States or anywhere else in the world, (vi) events or conditions generally affecting the industries in which the Company and the Company Subsidiaries operate, (vii) global, national or regional political conditions, including national or international hostilities, acts of terror or acts of war, sabotage or terrorism or military actions or any escalation or worsening of any hostilities, acts of war, sabotage or terrorism or military actions, (viii) pandemics, earthquakes, hurricanes, tornados or other natural disasters, (ix) entry into, or announcement, the pendency or consummation of this Agreement, or (x) any failure to meet any projections, forecasts, guidance, estimates, milestones, budgets or financial or operating predictions of revenue, earnings, cash flow or cash position (provided, that (A) the matters described in clauses (i), (ii), (v), (vi), (vii) and (viii) shall be included in the term "Company Material Adverse Effect" to the extent any such matter has a disproportionate, materially adverse impact on the business, assets, financial condition or results of operations of the Company and the Company Subsidiaries, taken as a whole, relative to other participants in the business of the Company and (B) clause (x) will not prevent a determination that any change or effect underlying any such change or failure, as applicable, has resulted in a Company Material Adverse Effect, to the extent such change or effect is not otherwise excluded from this definition of Company Material Adverse Effect).

"Compound" shall mean the compound known as InteKrin 131 and any salts, solvates and crystalline forms of such compound or other formulations thereof.

"Contract" shall mean any lease, contract, commitment and agreement, written or, to the Company's Knowledge, oral other than purchase orders or purchase order commitments issued in the ordinary course of business consistent with past practices.

"Exchange Agent" shall mean a bank or trust company designated as the exchange and paying agent by Parent and reasonably satisfactory to the Company, or such other Person as Parent and the Company may otherwise mutually agree.

"Governmental Entity" shall mean any: (i) federal, state, local, foreign or international government; (ii) court, arbitral or other tribunal or governmental or quasi-governmental authority of any nature (including any governmental agency, political subdivisions, instrumentalities, branch, department, official, or entity); or (iii) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature pertaining to government.

"Intellectual Property" means patents and patent applications, trademarks, service marks, trade names, copyrights, trade secrets, inventions, disclosures, technology, know-how, designs, formulae, confidential and proprietary information, and registrations and applications for registration of copyrights, trademarks, service marks, trade names, trade dress, domain names, and invention disclosures.

"Knowledge" means (a) when used to qualify a representation, warranty or other statement of the Company or any Company Subsidiary in this Agreement, the actual knowledge of any of Evgeny Zaytsev, M.D., Ph.D., and Dennis M. Lanfear and; (b) when used to qualify a representation, warranty or other statement of Parent or any Parent Subsidiary in this Agreement, the actual knowledge of any of Dennis M. Lanfear and Matthew R. Hooper.

"Lien" shall mean any mortgage, pledge, lien, security interest, conditional or installment sale agreement, encumbrance, charge or other claims of third parties of any kind, except for (a) liens for Taxes or governmental charges or claims (i) not yet due and payable or (ii) being contested in good faith and by appropriate proceedings, if a reserve or other appropriate provision, if any, in accordance with GAAP shall have been made therefor; (b) statutory liens of landlords and liens of carriers, warehousemen's, mechanics and materialmen's and other incurred in the ordinary course of business for sums not yet due and payable if a reserve or other appropriate provision, if any, in accordance with GAAP shall have been made therefor; (c) liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other similar types of social security programs in each case in the ordinary course of business; (d) with respect to personal property only, purchase money security interests incurred in the ordinary course of business; (e) easements, rights-of-way, restrictions and other similar non-monetary charges or encumbrances, in each case, which do not interfere with the ordinary conduct of the Company's or any Company Subsidiary's operations and do not or would not materially detract from the value of the property to which such encumbrance relates; and (g) with respect to the Leased Property only and in addition to the items above, liens, security interests or encumbrances and other minor irregularities in title, more of which, independently or in the aggregate interfere in any material aspect with the present use of or occupancy by the Company or any Company Subsidiary.

"Merger Consideration Cap" shall mean Eighty Million Eight Hundred Forty Two Thousand Nine Hundred Nine Dollars ($80,842,909). For purposes of calculating whether the Merger Consideration Cap has been reached or exceeded, (a) the issuance of shares of Parent Series B Preferred as the Acquisition Price and the Earn Out Payment, if any, shall be deemed to have an aggregate value of Five Million Dollars ($5,000,000) and Two Million Five Hundred Thousand Dollars ($2,500,000), respectively, as and when issued; and (b) any property or other form of non-cash consideration distributed to the Stockholders and the Management Incentive Grant Recipients as Compound Transaction Payments shall have the fair market value as determined in good faith by the Board of Directors of Parent, at the time of distribution; provided, however, that to the extent such property or other form of non-cash consideration consists of publicly traded securities, then the value attributed to such securities shall be the average of the high and low selling prices on the date immediately prior to the date such securities are distributed.

"Party" shall mean Parent, Acquisition HoldCo, Acquisition Corp., the Company and the Stockholders' Representative.

"Person" shall mean any individual, corporation, partnership, limited partnership, limited liability company, other business organization, trust, association or entity or government agency or authority.

"Pre-Closing Tax Liabilities" shall mean all obligations for Taxes owed by the Company (or the Surviving Corporation as its successor in the Merger) or any Company Subsidiary for any period or portion thereof ending on or prior to the Closing.

"Pre-Closing Tax Period" shall mean any Tax period (or portion thereof) ending on or before the Closing Date.

"SEC" shall mean the Securities and Exchange Commission.

"Sofinnova" shall mean Sofinnova Venture Partners VII, L.P.

"Stockholder" shall mean the holders of shares of Company Capital Stock as set forth on Exhibit F.

"Stockholders' Representative" shall mean Fortis Advisors LLC, or its successor chosen in accordance with Section 2.5.

"Straddle Period" shall mean any Tax period beginning on or before the Closing Date and ending after the Closing Date.

"Subsidiary" shall mean any Person of which a specified Person owns directly or indirectly through a subsidiary, a nominee arrangement or otherwise at least a majority of the outstanding capital stock (or other shares of beneficial interest) entitled to vote generally or otherwise have the power to elect a majority of the board of directors or similar governing body or the legal power to direct the business or policies of such Person.

"Tax" (and, with correlative meaning, "Taxes" and "Taxable") shall mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges in the nature thereof (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto, whether disputed or not) imposed by any government or taxing authority, including: taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes; license, registration and documentation fees; and customs duties, tariffs, and similar charges.

"Tax Return" shall mean any return, report or similar statement filed or required to be filed with respect to any Tax (including any attached schedules), including any information return, claim for refund, amended return or declaration of estimated Tax and all federal, state, local and foreign returns, reports and similar statements.

Each term listed in the table below has the meaning ascribed to such term in the section of this Agreement listed opposite such term.

Accredited Investor List	Section 2.6(b)
Acquisition Common Stock	Section 2.1(a)
Acquisition Corp.	Preamble
Acquisition HoldCo.	Preamble
Acquisition Transaction	Section 5.2
Advisory Group	Section 2.5(b)
Agent Expenses	Section 2.5(b)
Agreement	Preamble
Authorizations	Section 3.14(b)
Business Plan	Section 4.21
Buyer Indemnified Parties	Section 7.2
Certificate of Merger	Section 1.2
Certificates	Section 2.4(a)(i)
Claim Notice	Section 7.5
Closing	Section 1.3
Closing Date	Section 1.3
Company	Preamble
Company Capital Stock	Recitals
Company Common Stock	Recitals
Company Disclosure Schedule	Article III
Company Financial Statements	Section 3.6(a)
Company Fundamental Representations	Section 7.1
Company Preferred Stock	Recitals
Company Stock Plan	Section 2.1(e)
Company Stockholder Approval	Section 6.1(d)
Company Subsidiary/Company Subsidiaries	Section 3.1(a)
Compound Transaction Agreement	Section 2.2(b)
Compound Transaction Payment	Section 2.2(c)(iii)
Compound Transaction Revenue	Section 2.2(c)(v)
Delaware Courts	Section 11.7
DGCL	Recitals
Diligent Efforts	Section 2.2(c)(vi)
Disclosure Schedules	Article IV
Dispute Notice	Section 2.5(c)
Dissenting Share	Section 2.1(d)
Earn Out Event	Section 2.2(c)(iv)
Earn Out Funds	Section 2.2(c)(i)

Earn Out Payment	Section 2.2(c)(ii)
Effective Time	Section 1.2
Employee Benefit Plans	Section 3.17(a)
ERISA	Section 3.17(a)
ERISA Affiliate	Section 3.17(a)
Escrow Agreement	Section 2.3(b)
Exchange Fund	Section 2.3(a)
FYE Company Financial Statements	Section 3.6(a)
FYE Subsidiary Financial Statements	Section 3.6(b)
GAAP	Section 3.6(a)
Indemnified Party	Section 7.5
Indemnity Escrow Funds	Section 2.3(b)
Indemnity Period	Section 7.1
Indemnity Threshold Amount	Section 7.3(a)
Interim Company Financial Statements	Section 3.6(a)
Interim Subsidiary Financial Statements	Section 3.6(b)
IRS	Section 3.16(b)
Laws	Section 3.14(a)
Leased Real Property	Section 3.9(d)
Leases	Section 3.9(d)
Letter of Transmittal	Section 2.4(a)(i)
Losses	Section 7.2
Management Incentive Grants	Section 2.9
Management Incentive Grant Recipients	Section 2.9
Merger	Recitals
Merger Shares	Section 4.3
Option	Section 2.1(e)
Overall Indemnity Cap	Section 7.3(a)
Parent	Preamble
Parent Common Stock	Section 2.2(c)(i)
Parent Disclosure Schedule	Article IV
Parent Fundamental Represenations	Section 7.1
Parent Preferred Stock	Section 4.6(a)
Parent Registered Proprietary Rights	Section 4.9
Parent Series A Preferred	Section 4.6(a)
Parent Series B Preferred	Section 2.2(c)(i)
Post-Closing Confidential Information	Section 5.3(c)
Potential Acquiror	Section 5.2
Promissory Note	Section 2.10
Proprietary Rights	Section 4.9
Representative	Section 5.2
Representative Group	Section 2.5(b)
Restated Certificate	Section 6.2(h)
Restricted Stock Agreement	Section 2.9

Rights Agreement	Section 6.1(g)
Secretary of State	Section 1.2
Secondary Share Purchase Agreement	Section 6.2(k)
Securities Act	Section 2.6(a)
Stockholder Indemnified Parties	Section 7.2(b)
Subsidiary Financial Statements	Section 3.6(b)
Surviving Corporation	Section 1.1
Surviving Corporation Common Stock	Section 2.1(a)
Unresolved Indemnification Claims	Section 7.8(b)
Vesting Event	Section 2.9
Voting Agreement	Section 6.1(h)
Voting and Release Agreement	Recitals
2013 Bridge Financing Agreement	Section 4.5
2013 Convertible Notes	Section 4.5
2013 Parent Financial Statements	Section 4.18

Section 10.2. Other Terms. Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

Section 10.3. Other Definitional Provisions.

(a) The words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever the words “include,” “includes” or “including” (or any variation thereof) are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

ARTICLE XI MISCELLANEOUS.

Section 11.1. Press Releases. Except as required by law, none of Parent, Acquisition HoldCo, Acquisition Corp. or the Company shall issue any press release or otherwise make public any information with respect to the subject matter of this Agreement nor the transactions contemplated hereby, without the prior written consent of each of the other parties to this Agreement.

Section 11.2. Integration. This Agreement (together with the Exhibits and the Disclosure Schedules), the Collateral Documents and the confidentiality agreement set forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby, and, except as set forth in this Agreement, there are no representations or warranties, express or implied, made by any party to this Agreement (or any of their Affiliates) with respect to the subject matter of this Agreement. Any and all previous agreements and understandings between or among the parties regarding the subject matter hereof, whether written or oral, are superseded

by this Agreement and the agreements referred to or contemplated herein. The parties acknowledge that all parties participated in the drafting of this Agreement and agree that any rule of law or any legal decision that may or would require interpretation of any alleged ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. In the event of a conflict or inconsistency between the terms of this Agreement (including the representations, warranties, covenants and indemnification provisions hereof) and the terms of any other documents delivered or required to be delivered in connection with the consummation of the transactions contemplated by this Agreement, the parties acknowledge and agree that the terms of this Agreement shall supersede such conflicting or inconsistent terms in such other documents and the terms of this Agreement shall define the rights and obligations of the parties and their respective officers, directors, employees, stockholders and Affiliates with respect to the subject matter of such conflict or inconsistency.

Section 11.3. Assignment. This Agreement may not be assigned by operation of law or otherwise.

Section 11.4. Waiver. Any term or provision of this Agreement may be waived at any time by the party entitled to the benefit thereof only by a written instrument duly executed by such party.

Section 11.5. Notices. Any notice, request, demand, waiver, consent, approval, or other communication which is required or permitted to be given to any party hereunder shall be in writing and shall be deemed given only if delivered to the party personally or sent to the party by facsimile transmission (promptly followed by a hard-copy delivered in accordance with this Section 11.5), or by reputable overnight courier service, addressed to the party at its address set forth below; provided, however, that all such notices, requests, demands, waivers, consents, approvals, or other communications given or delivered to the Stockholders' Representative shall also require delivery of a copy of such writing to the electronic mail address of the Stockholders' Representative as set forth below:

If to Parent, Acquisition HoldCo or Acquisition Corp.:

Coherus Biosciences, Inc.
201 Redwood Shores Parkway
Suite 200
Redwood City, California 94065
Facsimile:
Attention:

with a copy to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025-1008
Facsimile: (650) 463-2600

Attention: Alan Mendelson, Esq.

If to the Company:

Intekrin Therapeutics Inc.
555 Bryant Street
Suite 266
Palo Alto, California 94301
Facsimile: (866) 286-2242
Attention: Chief Executive Officer

with a copy to:

King & Spalding LLP
601 South California Avenue
Palo Alto, California 94304-1050
Facsimile: (650) 422-6800
Attention: Laura I. Bushnell, Esq.

If to the Stockholders or the Stockholders' Representative:

Fortis Advisors LLC
Attention: Notice Department
4225 Executive Square, Suite 1040
La Jolla, California 92037
Fax: (858) 408-1843
Email: notices@fortisrep.com

or to such other address or Person as any party may have specified in a notice duly given to the other party as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered.

Section 11.6. Amendment. This Agreement shall not be amended, modified, revised, supplemented or terminated orally and no waiver of compliance with any provision hereof and no consent provided for herein shall be effective other than by a written instrument executed and delivered (a) prior to the Closing Date, by all of the parties hereto; and (b) after the Closing Date, by Parent and the Stockholders' Representative (acting exclusively for and on behalf of the Stockholders and Management Incentive Grant Recipients).

Section 11.7. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. Notwithstanding anything herein to the contrary, Parent, the Company, Acquisition HoldCo,

Acquisition Corp. and the Stockholders hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America located in the Delaware (the "Delaware Courts") for any litigation arising out of or relating to this Agreement or the transactions contemplated hereby (and agrees not to commence counterclaims except in such courts), waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in any inconvenient forum.

Section 11.8. Third Party Beneficiaries. Except for the provisions of Article II (Conversion of Shares), Section 5.9 (Director and Officer Indemnity) and Article VII, the representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their respective successors and assigns, and they shall not be construed as conferring, and are not intended to confer, any rights on any other Person.

Section 11.9. Performance. In the event that any Party shall fail or refuse to consummate the transactions contemplated by this Agreement or any default under, or breach of, any representation, warranty or covenant of this Agreement on the part of any Party shall have occurred that results in the failure to consummate the transactions contemplated hereby, the Parties acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy and accordingly the Parties agree that, in addition to any other remedies, each shall be entitled to enforce the terms of this Agreement by a decree of specific performance.

Section 11.10. Severability. If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of the Agreement shall remain in full force and effect. Upon such determination, the parties hereto shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the parties to the fullest extent permitted by applicable law.

Section 11.11. Extensions. At any time prior to the Closing Date, either party may by appropriate action, extend the time for compliance by or waive performance of any representation, warranty, agreement, condition or obligation of the other party.

Section 11.12. Section Headings. All section headings are for convenience only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.13. Exhibits; Disclosure Schedules. All Exhibits referred to herein and the Disclosure Schedules are intended to be and hereby are specifically made a part of this Agreement. Disclosure of any fact or item in any section of the Disclosure Schedules referenced by a particular section in this Agreement shall be deemed to have been disclosed with respect to every other section in this Agreement. The specification of any dollar amount in the representations or warranties contained in this Agreement or the inclusion of any specific item in any section of the Disclosure Schedules is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in the Disclosure Schedules is or is not material for purposes of this Agreement.

Section 11.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and the Company, Stockholders' Representative, Parent, Acquisition HoldCo and Acquisition Corp. may become a party hereto by executing a counterpart thereof. This Agreement and any counterpart so executed shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement or any Collateral Document by facsimile or as a pdf or similar attachment to an electronic communication shall have the same effect as delivery of a manually executed counterpart to this Agreement or Collateral Document.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have duly executed this Agreement on the date first above written.

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

COHERUS INTERMEDIATE CORP.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

COHERUS ACQUISITION CORP.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

INTEKRIN THERAPEUTICS INC.

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: Acting President and Chairman

FORTIS ADVISORS LLC

By: /s/ Ryan Simkin
Name: Ryan Simkin
Title: Managing Director

Office Lease

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

Between

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

as Landlord,

and

BIOGENERICS, INC., a Delaware corporation

as Tenant

OFFICE LEASE

This Office Lease (this **"Lease"),** dated as of the date set forth in Section 1.1, is made by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord"),** and **BIOGENERICS, INC., a Delaware corporation ("Tenant").** The following exhibits are incorporated herein and made a part hereof: **Exhibit A** (Outline of Premises); **Exhibit B** (Work Letter); **Exhibit C** (Form of Confirmation Letter); **Exhibit D** (Rules and Regulations); **Exhibit E** (Judicial Reference); and **Exhibit F** (Additional Provisions).

1 BASIC LEASE INFORMATION

1.1 Date: September 26, 2011

1.2 Premises.

1.2.1 **"Building"**: 201 Redwood Shores Parkway, Redwood City, California, commonly known as 201 Redwood Shores.

1.2.2 **"Premises"**: Subject to Section 2.1.1, 6,638 rentable square feet of space located on the second floor of the Building and commonly known as Suite 200, the outline and location of which is set forth in **Exhibit A**. If the Premises includes any floor in its entirety, all corridors and restroom facilities located on such floor shall be considered part of the Premises.

1.2.3 **"Property"**: The Building, the parcel(s) of land upon which it is located, and, at Landlord's discretion, any parking facilities and other improvements serving the Building and the parcel(s) of land upon which such parking facilities and other improvements are located.

1.2.4 **"Project"**: The Property or, at Landlord's discretion, any project containing the Property and any other land, buildings or other improvements.

1.3 Term

1.3.1 Term: The term of this Lease (the **"Term")** shall commence on the Commencement Date and end on the Expiration Date (or any earlier date on which this Lease is terminated as provided herein).

1.3.2 **"Commencement Date"**: The earlier of (i) the first date on which Tenant conducts business in the Premises pursuant to this Lease, or (ii) the later to occur of (a) the date on which the Premises is Ready for Occupancy (defined in **Exhibit B),** and (b) October 1, 2011.

1.3.3 **"Expiration Date"**: The last day of the 24th full calendar month commencing on or after the Commencement Date.

1.4 **"Base Rent"**:

Period During Term	Annual Base Rent Per Rentable Square Foot	Monthly Base Rent Per Rentable Square Foot (rounded to the nearest 100th of a dollar)	Monthly Installment of Base Rent
Commencement Date through last day of 12th full calendar month of Term	$ 43.20	$ 3.60	$23,896.80
13th full calendar month of Term through Expiration Date	$ 44.50	$ 3.71	$24,615.92

Notwithstanding the foregoing, so long as no Default (defined in Section 19.1) exists, Tenant shall be entitled to an abatement of Base Rent, in the amount of $23,896.80 per month, for the first full calendar month of the Term.

1.5 **"Base Year"** for Expenses:	Calendar year 2012.
"Base Year" for Taxes:	Calendar year 2012.
1.6 **"Tenant's Share"**:	1.9846% (based upon a total of 334,483 rentable square feet in the Building), subject to Section 2.1.1. Notwithstanding any contrary provision hereof, for purposes of the definition of Tenant's Share, the second sentence of Section 2.1.1, and Sections 2.2 and 4, "Building" means, collectively, the Related Buildings (defined below), and "Property" means, collectively, the Related Buildings, the parcel(s) of land upon which the Related Buildings are located and, at Landlord's discretion, the parking facilities and other improvements, if any, serving the Related Buildings and the parcels of land upon which such parking facilities and improvements are located. As used herein, **"Related Buildings"** means, collectively, the two (2) buildings located at 201 Redwood Shores Parkway and 203 Redwood Shores Parkway, Redwood City, California; provided, however, that, at Landlord's option from time to time, any such building, other than the building(s) in which the Premises is located, may be removed from the Related Buildings (whether as a result of a sale or demolition of such building or otherwise) and any building owned by Landlord may be added to the Related Buildings (whether as a result of a purchase or development of such building or otherwise), in which event, effective as of the date of such removal or addition, Tenant's Share, together with Expenses and Taxes for the Base Year, shall be recalculated accordingly.
1.7 **"Permitted Use"**:	General office use consistent with a first-class office building.
1.8. **"Security Deposit"**:	$23,233.00, as more particularly described in Section 21.
Prepaid Base Rent:	$23,896.80, as more particularly described in Section 3.
1.9 Parking:	Twenty-two (22) unreserved parking spaces, at the rate of $0 per space per month, as such rate may be adjusted from time to time to reflect Landlord's then current rates.
1.10 Address of Tenant:	the Premises.

1.11 Address of Landlord:	CA-Towers at Shores Center Limited Partnership c/o Equity Office 2655 Campus Drive Suite 100 San Mateo, California 94403 Attn: Building manager with copies to: Equity Office 2655 Campus Drive Suite 100 San Mateo, California 94403 Attn: Managing Counsel and Equity Office Two North Riverside Plaza Suite 2100 Chicago, IL 60606 Attn: Lease Administration
1.12 Broker(s):	Cornish & Carey Commercial ("**Tenant's Broker**"), representing Tenant, and Cornish & Carey Commercial ("**Landlord's Broker**"), representing Landlord.
1.13 Building HVAC Hours and Holidays:	"**Building HVAC Hours**" mean 8:00 a.m. to 6:00 p.m., Monday through Friday, excluding the day of observation of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and, at Landlord's discretion, any other locally or nationally recognized holiday that is observed by other buildings comparable to and in the vicinity of the Building (collectively, "**Holidays**").
1.14 **"Transfer Radius"**:	None.
1.15 **"Tenant Improvements"**:	Defined in **Exhibit B**, if any.
1.16 **"Guarantor"**:	As of the date hereof, there is no Guarantor.

2 PREMISES AND COMMON AREAS.

2.1 **The Premises**.

2.1.1 Subject to the terms hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Landlord and Tenant acknowledge that the rentable square footage of the Premises is as set forth in Section 1.2.2 and the rentable square footage of the Building is as set forth in Section 1.6; provided, however, that Landlord may from time to time re-measure the Premises and/or the Building in accordance with any generally accepted measurement standards selected by Landlord and adjust Tenant's Share based on such re-measurement; provided further, however, that any such re-measurement shall not affect the amount of Base Rent payable for, or the amount of any tenant allowance applicable to, the initial Term. At any time Landlord may deliver to Tenant a notice substantially in the form of **Exhibit C**, as a confirmation of the information set forth therein. Tenant shall execute and return (or, by notice to Landlord, reasonably object to) such notice within five (5) days after receiving it, and if Tenant fails to do so, Tenant shall be deemed to have executed and returned it without exception.

2.1.2 Except as expressly provided herein, the Premises is accepted by Tenant in its condition and configuration existing on the date hereof (or in such other condition and configuration as any existing tenant of the Premises may cause to exist in accordance with its lease), without any obligation of Landlord to perform or pay for any alterations to the Premises, and without any representation or warranty regarding the condition of the Premises, the Building or the Project or their suitability for Tenant's business. The foregoing provisions of this Section 2 shall not abrogate Landlord's obligations or Tenant's rights under Sections 5, 6.3 and 7 of this Lease nor pursuant to Section 3.2.3 of **Exhibit B** hereto.

2.2 **Common Areas**. Tenant may use, in common with Landlord and other parties and subject to the Rules and Regulations (defined in **Exhibit D**), any portions of the Property that are designated from time to time by Landlord for such use (the "**Common Areas**").

3 RENT. Tenant shall pay all Base Rent and Additional Rent (defined below) (collectively, "**Rent**") to Landlord or Landlord's agent, without prior notice or demand or any setoff or deduction, at the place Landlord may designate from time to time. As used herein, **"Additional Rent"** means all amounts, other than Base Rent, that Tenant is required to pay Landlord hereunder. Monthly payments of Base Rent and monthly payments of Additional Rent for Expenses (defined in Section 4.2.2), Taxes (defined in Section 4.2.3) and parking (collectively, **"Monthly Rent"**) shall be paid in advance on or before the first day of each calendar month during the Term; provided, however, that the installment of Base Rent for the first full calendar month for which Base Rent is payable hereunder shall be paid upon Tenant's execution and delivery hereof. Except as otherwise provided herein, all other items of Additional Rent shall be paid within 30 days after Landlord's request for payment. Rent for any partial calendar month shall be prorated based on the actual number of days in such month. Without limiting Landlord's other rights or remedies, (a) if any installment of Rent is not received by Landlord or its designee within five (5) business days after its due date, Tenant shall pay Landlord a late charge equal to 5% of the overdue amount; and (b) any Rent that is not paid within 10 days after its due date shall bear interest, from its due date until paid, at the lesser of 18% per annum or the highest rate permitted by Law (defined in Section 5). Tenant's covenant to pay Rent is independent of every other covenant herein.

4 EXPENSES AND TAXES.

4.1 **General Terms**. In addition to Base Rent, Tenant shall pay, in accordance with Section 4.4, for each Expense Year (defined in Section 4.2.1), an amount equal to the sum of (a) Tenant's Share of any amount (the **"Expense Excess**") by which Expenses for such Expense Year exceed Expenses for the Base Year, plus (b) Tenant's Share of any amount (the "**Tax Excess**") by which Taxes for such Expense Year exceed Taxes for the Base Year. No decrease in Expenses or Taxes for any Expense Year below the corresponding amount for the Base Year shall entitle Tenant to any decrease in Base Rent or any credit against amounts due hereunder. Tenant's Share of the Expense Excess and Tenant's Share of the Tax Excess for any partial Expense Year shall be prorated based on the number of days in such Expense Year.

4.2 **Definitions**. As used herein, the following terms have the following meanings:

4.2.1 **"Expense Year"** means each calendar year (other than the Base Year and any preceding calendar year) in which any portion of the Term occurs.

4.2.2 **"Expenses"** means all expenses, costs and amounts that Landlord pays or accrues during the Base Year or any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Property. Landlord shall act in a reasonable manner in incurring Expenses. Expenses shall include (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining and renovating the utility, telephone, mechanical, sanitary, storm-drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, the cost of contesting any Laws that may affect Expenses, and the costs of complying with any governmentally-mandated transportation-management or similar program; (iii) the cost of all insurance premiums and deductibles; (iv) the cost of landscaping and relamping; (v) the cost of parking-area operation, repair, restoration, and maintenance; (vi) a management fee in the amount (which is hereby acknowledged to be reasonable) of 3% of gross annual receipts from the Building (excluding the management fee), together with other fees and costs, including consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Property; (vii) payments under any equipment-rental agreements and the fair rental value of any management office space; (viii) wages, salaries and other compensation, expenses and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Property, and costs of training, uniforms, and employee enrichment for such persons; (ix) the costs of operation, repair, maintenance and replacement of all systems and equipment (and components thereof) of the Property; (x) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in Common Areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xi) rental or acquisition costs of supplies, tools, equipment, materials and personal property used in the maintenance, operation and repair of the Property; (xii) the cost of capital improvements or any other items that are (A) intended to effect economies in the operation or maintenance of the Property, reduce current or future Expenses, enhance the safety or security of the Property or its occupants, or enhance the environmental sustainability of the Property's operations, (B) replacements or modifications of the nonstructural portions of the Base Building (defined in Section 7) or Common Areas that are required to keep the Base Building or Common Areas in good condition, or (C) required under any Law; (xiii) the cost of tenant-relation programs reasonably established by Landlord; and (xiv) payments under any existing or future reciprocal easement agreement, transportation management agreement, cost-sharing agreement or other covenant, condition, restriction or similar instrument affecting the Property.

Notwithstanding the foregoing, Expenses shall not include: (a) capital expenditures not described in clauses (xi) or (xii) above (in addition, any capital expenditure shall be included in Expenses only if paid or accrued after the Base Year and shall be amortized (including actual or imputed interest on the amortized cost) over such period of time as Landlord shall reasonably determine); (b) depreciation; (c) principal payments of mortgage or other non-operating debts of Landlord; (d) costs of repairs to the extent Landlord is reimbursed by insurance or condemnation proceeds; (e) except as provided in clause (xiii) above, costs of leasing space in the Building, including brokerage commissions, lease concessions, rental abatements and construction allowances granted to specific tenants; (f) costs of selling, financing or refinancing the Building; (g) fines, penalties or interest resulting from late payment of Taxes or Expenses; (h) organizational expenses of creating or operating the entity that constitutes Landlord; or (i) damages paid to Tenant hereunder or to other tenants of the Building under their respective leases.

If, during any portion of the Base Year or any Expense Year, the Building is not 100% occupied (or a service provided by Landlord to tenants of the Building generally is not provided by Landlord to a tenant that provides such service itself, or any tenant of the Building is entitled to free rent, rent abatement or the like), Expenses for such year shall be determined as if the Building had been 100% occupied (and all services provided by Landlord to tenants of the Building generally had been provided by Landlord to all tenants, and no tenant of the Building had been entitled to free rent, rent abatement or the like) during such portion of such year. If insurance, security or utility costs for any Expense Year are less than insurance, security or utility costs, respectively, for the Base Year, then, for purposes of determining Expenses for such Expense Year, such costs for such Expense Year shall be deemed to be increased so as to be equal to such corresponding costs for the Base Year. Notwithstanding any contrary provision hereof, Expenses for the Base Year shall exclude (a) any market-wide cost increases resulting from extraordinary circumstances, including Force Majeure (defined in Section 25.2), boycotts, strikes, conservation surcharges, embargoes or shortages, and (b) at Landlord's option, the cost of any repair or replacement that Landlord reasonably expects will not recur on an annual or more frequent basis.

Landlord shall keep its book and records to Expenses in accordance with generally accepted accounting principles.

4.2.3 **"Taxes"** means all federal, state, county or local governmental or municipal taxes, fees, charges, assessments, levies, licenses or other impositions, whether general, special, ordinary or extraordinary, that are paid or accrued during the Base Year or any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing or operation of the Property. Taxes shall include (a) real estate taxes; (b) general and special assessments; (c) transit taxes; (d) leasehold taxes; (e) personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems, appurtenances, furniture and other personal property used in connection with the Property; (f) any tax on the rent, right to rent or other income from any portion of the Property or as against the business of leasing any portion of the Property; (g) any assessment, tax, fee, levy or charge imposed by any governmental agency, or by any non-governmental entity pursuant to any private cost-sharing agreement, in order to fund the provision or enhancement of any fire-protection, street-, sidewalk- or road-maintenance, refuse-removal or other service that is (or, before the enactment of Proposition 13, was) normally provided by governmental agencies to property owners or occupants without charge (other than through real property taxes); and (h) any assessment, tax, fee, levy or charge allocable or measured by the area of the Premises or by the Rent payable hereunder, including any business, gross income, gross receipts, sales or excise tax with respect to the receipt of such Rent. Any costs and expenses (including reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Taxes shall be included in Taxes for the year in which they are incurred. Notwithstanding any contrary provision hereof, Taxes shall be determined without regard to any "green building" credit and shall exclude (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Property), (ii) any Expenses, and (iii) any items required to be paid by Tenant under Section 4.5.

4.3 **Allocation**. Landlord, in its reasonable discretion, may equitably allocate Expenses among office, retail or other portions or occupants of the Property. If Landlord incurs Expenses or Taxes for the Property together with another property, Landlord, in its reasonable discretion, shall equitably allocate such shared amounts between the Property and such other property.

4.4 **Calculation and Payment of Expense Excess and Tax Excess**.

4.4.1 **Statement of Actual Expenses and Taxes; Payment by Tenant**. Landlord shall give to Tenant, after the end of each Expense Year, a statement (the "**Statement**") setting forth the actual Expenses, Taxes, Expense Excess and Tax Excess for such Expense Year. If the amount paid by Tenant for such Expense Year pursuant to Section 4.4.2 is less or more than the sum of Tenant's Share of the

actual Expense Excess plus Tenant's Share of the actual Tax Excess (as such amounts are set forth in such Statement), Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after delivery of such Statement. Landlord shall use reasonable efforts to deliver the Statement on or before June 1 of the calendar year immediately following the Expense Year to which it applies. Any failure of Landlord to timely deliver the Statement for any Expense Year shall not diminish either party's rights under this Section 4.

4.4.2 **Statement of Estimated Expenses and Taxes**. Landlord shall give to Tenant, for each Expense Year, a statement (the **"Estimate Statement"**) setting forth Landlord's reasonable estimates of the Expenses, Taxes, Expense Excess (the "**Estimated Expense Excess**") and Tax Excess (the "**Estimated Tax Excess**") for such Expense Year. Upon receiving an Estimate Statement, Tenant shall pay, with its next installment of Base Rent, an amount equal to the excess of (a) the amount obtained by multiplying (i) the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess (as such amounts are set forth in such Estimate Statement), by (ii) a fraction, the numerator of which is the number of months that have elapsed in the applicable Expense Year (including the month of such payment) and the denominator of which is 12, over (b) any amount previously paid by Tenant for such Expense Year pursuant to this Section 4.4.2. Until Landlord delivers a new Estimate Statement, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one- twelfth (1/12) of the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess, as such amounts are set forth in the previous Estimate Statement. Landlord shall use reasonable efforts to deliver an Estimate Statement for each Expense Year on or before January 1 of such Expense Year. Any failure of Landlord to timely deliver any Estimate Statement shall not diminish Landlord's rights to receive payments and revise any previous Estimate Statement under this Section 4.

4.4.3 **Retroactive Adjustment of Taxes**. Notwithstanding any contrary provision hereof, if, after Landlord's delivery of any Statement, an increase or decrease in Taxes occurs for the applicable Expense Year or for the Base Year (whether by reason of reassessment, error, or otherwise), Taxes for such Expense Year or the Base Year, as the case may be, and the Tax Excess for such Expense Year shall be retroactively adjusted. If, as a result of such adjustment, it is determined that Tenant has under- or overpaid Tenant's Share of such Tax Excess, Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after such adjustment is made.

4.5 **Charges for Which Tenant Is Directly Responsible**. Tenant shall pay, 10 days before delinquency, any taxes levied against Tenant's equipment, furniture, fixtures and other personal property located in or about the Premises. If any such taxes are levied against Landlord or its property (or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or other personal property of Tenant), Landlord may pay such taxes (or such increased assessment) regardless of their (or its) validity, in which event Tenant, upon demand, shall repay to Landlord the amount so paid. If the Leasehold Improvements (defined in Section 7.1) are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, the Taxes levied against Landlord or the Property by reason of such excess assessed valuation shall be deemed taxes levied against Tenant's personal property for purposes of this Section 4.5. Notwithstanding any contrary provision hereof, Tenant shall pay, 10 days before delinquency, (i) any rent tax, sales tax, service tax, transfer tax or value added tax, or any other tax respecting the rent or services described herein or otherwise respecting this transaction or this Lease; and (ii) any taxes assessed upon the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of any portion of the Property.

4.6 **Books and Records**. Within 60 days after receiving any Statement (the "**Review Notice Period**"), Tenant may give Landlord notice ("**Review Notice**") stating that Tenant elects to review Landlord's calculation of the Expense Excess and/or Tax Excess for the Expense Year to which such Statement applies and identifying with reasonable specificity the records of Landlord reasonably relating to such matters that Tenant desires to review. Within a reasonable time after receiving a timely Review Notice (and, at Landlord's option, an executed confidentiality agreement as described below), Landlord shall deliver to Tenant, or make available for inspection at a location reasonably designated by Landlord, copies of such records. Within 60 days after such records are made available to Tenant (the "**Objection Period**"), Tenant may deliver to Landlord notice (an "**Objection Notice**") stating with reasonable specificity any objections to the Statement, in which event Landlord and Tenant shall work together in good faith to resolve Tenant's objections. Tenant may not deliver more than one Review Notice or more than one Objection Notice with respect to any Expense Year. If Tenant fails to give Landlord a Review Notice before the expiration of the Review Notice Period or fails to give Landlord an Objection Notice

before the expiration of the Objection Period, Tenant shall be deemed to have approved the Statement. Notwithstanding any contrary provision hereof, Landlord shall not be required to deliver or make available to Tenant records relating to the Base Year, and Tenant may not object to Expenses or Taxes for the Base Year, other than in connection with the first review for an Expense Year performed by Tenant pursuant to this Section 4.6. If Tenant retains an agent to review Landlord's records, the agent must be with a CPA firm licensed to do business in the State of California and its fees shall not be contingent, in whole or in part, upon the outcome of the review. Tenant shall be responsible for all costs of such review; provided, however, that if Landlord and Tenant determine that the sum of Expenses and Taxes for the Expense Year in question was overstated by more than 5%, Landlord, within 30 days after receiving paid invoices therefor from Tenant, shall reimburse Tenant for the reasonable amounts paid by Tenant to third parties in connection with such review (not to exceed $5,000.00). The records and any related information obtained from Landlord shall be treated as confidential, and as applicable only to the Premises, by Tenant, its auditors, consultants, and any other parties reviewing the same on behalf of Tenant (collectively, **"Tenant's Auditors"**). Before making any records available for review, Landlord may require Tenant and Tenant's Auditors to execute a reasonable confidentiality agreement, in which event Tenant shall cause the same to be executed and delivered to Landlord within 30 days after receiving it from Landlord, and if Tenant fails to do so, the Objection Period shall be reduced by one day for each day by which such execution and delivery follows the expiration of such 30-day period. Notwithstanding any contrary provision hereof, Tenant may not examine Landlord's records or dispute any Statement if any Rent remains unpaid past its due date. If, for any Expense Year, Landlord and Tenant determine that the sum of Tenant's Share of the actual Expense Excess plus Tenant's Share of the actual Tax Excess is less or more than the amount reported, Tenant shall receive a credit in the amount of its overpayment against Rent then or next due hereunder, or pay Landlord the amount of its underpayment with the Rent next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Landlord shall pay Tenant the amount of its overpayment (less any Rent due), or Tenant shall pay Landlord the amount of its underpayment, within 30 days after such determination.

5 USE; COMPLIANCE WITH LAWS.

5.1 Tenant shall not (a) use the Premises for any purpose other than the Permitted Use, or (b) do anything in or about the Premises that violates any of the Rules and Regulations, damages the reputation of the Project, interferes with, injures or annoys other occupants of the Building, or constitutes a nuisance. Tenant, at its expense, shall comply with all Laws relating to (i) the operation of its business at the Project, or (ii) the use, occupancy and, other than with respect to elements of the Base Building, the condition and configuration of the Premises. If, in order to comply with any such Law, Tenant must obtain or deliver any permit, certificate or other document evidencing such compliance, Tenant shall provide a copy of such document to Landlord promptly after obtaining or delivering it. If a change to the Common Areas or any component of the Base Building becomes required under Law because any Tenant-Insured Improvement (defined in Section 10.2.2) is not a type customarily required for general office use or because any use of the Premises is not general office use, Tenant, upon demand, shall (x) at Landlord's option, either make such change at Tenant's cost or pay Landlord the cost of making such change, and (y) pay Landlord a coordination fee equal to 10% of the cost of such change. As used herein, **"Law"** means any existing or future law, ordinance, regulation or requirement of any governmental authority having jurisdiction over the Project or the parties.

5.2 Landlord, at its expense (subject to Section 4), shall cause the Base Building and the Common Areas to comply with all Laws (including the Americans with Disabilities Act ("**ADA**")) to the extent that (a) such compliance is necessary for Tenant to use the Premises for general office use in a normal and customary manner and for Tenant's employees and visitors to have reasonably safe access to and from the Premises, or (b) Landlord's failure to cause such compliance would impose liability upon Tenant under Law; provided, however, that Landlord shall not be required to cause such compliance to the extent non-compliance (x) is triggered by any matter that is Tenant's responsibility under Section 5.1 or 7.3 or any other provision hereof, or (y) arises under any provision of the ADA other than Title III thereof. Notwithstanding the foregoing, Landlord may contest any alleged violation in good faith, including by applying for and obtaining a waiver or deferment of compliance, asserting any defense allowed by Law, and appealing any order or judgment to the extent permitted by Law; provided, however, that, after exhausting any rights to contest or appeal, Landlord shall perform any work necessary to comply with any final order or judgment.

6 SERVICES.

6.1 **Standard Services**. Landlord shall provide the following services on all days (unless otherwise stated below): (a) subject to limitations imposed by Law, customary heating, ventilation and air conditioning ("**HVAC**") in season during Building HVAC Hours; (b) electricity supplied by the applicable public utility, stubbed to the Premises; (c) water supplied by the applicable public utility (i) for use in lavatories and any drinking facilities located in Common Areas within the Building, and (ii) stubbed to the Building core for use in any plumbing fixtures located in the Premises; (d) janitorial services to the Premises, except on weekends and Holidays; and (e) elevator service (subject to scheduling by Landlord, and payment of Landlord's standard usage fee, for any freight service).

6.2 **Above-Standard Use**. Landlord shall provide HVAC service outside Building HVAC Hours if Tenant gives Landlord such prior notice and pays Landlord such hourly cost per zone as Landlord may require. The parties acknowledge that, as of the date hereof, Landlord's charge for HVAC service outside Building HVAC Hours is $80.00 per hour per zone, subject to change from time to time. Tenant shall not, without Landlord's prior consent, use equipment that may affect the temperature maintained by the air conditioning system or consume above-Building-standard amounts of any water furnished for the Premises by Landlord pursuant to Section 6.1. If Landlord reasonably determines, based on objective data, that Tenant's consumption of electricity or water exceeds the rate that Landlord reasonably determines, based on objective data, is standard for the Building, Tenant shall pay Landlord, upon billing, the actual out-of-pocket cost of such excess consumption, including any costs of installing, operating and maintaining any equipment that is installed in order to supply or measure such excess electricity or water. For purposes of the preceding sentence, any consumption of electricity in a computer server room shall be deemed to exceed the standard rate for the Building. The connected electrical load of Tenant's incidental-use equipment shall not exceed the Building-standard electrical design load, and Tenant's electrical usage shall not exceed the capacity of the feeders to the Project or the risers or wiring installation.

6.3 **Interruption**. Any failure to furnish, delay in furnishing, or diminution in the quality or quantity of any service resulting from any application of Law, failure of equipment, performance of maintenance, repairs, improvements or alterations, utility interruption, or event of Force Majeure (each, a "**Service Interruption**") shall not render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder. Notwithstanding the foregoing, if all or a material portion of the Premises is made untenantable or inaccessible for more than five (5) consecutive business days after notice from Tenant to Landlord by a Service Interruption that Landlord can correct through reasonable efforts, then, as Tenant's sole remedy, Monthly Rent shall abate for the period beginning on the day immediately following such 5-business-day period and ending on the day such Service Interruption ends, but only in proportion to the percentage of the rentable square footage of the Premises made untenantable or inaccessible.

7 REPAIRS AND ALTERATIONS.

7.1 **Repairs**. Subject to Section 11, Tenant, at its expense, shall perform all maintenance and repairs (including replacements) to the Premises, and keep the Premises in as good condition and repair as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, except for reasonable wear and tear, Casualty damage, and repairs that are Landlord's express responsibility hereunder. Tenant's maintenance and repair obligations shall include (a) all leasehold improvements in the Premises, whenever and by whomever installed or paid for, including any Tenant Improvements, any Alterations (defined in Section 7.2), and any leasehold improvements installed pursuant to any prior lease, but excluding the Base Building (the "**Leasehold Improvements**"); (b) all supplemental heating, ventilation and air conditioning units, kitchens (including hot water heaters, dishwashers, garbage disposals, insta-hot dispensers, and plumbing) and similar facilities exclusively serving Tenant, whether located inside or outside of the Premises, and whenever and by whomever installed or paid for; and (c) all Lines (defined in Section 23). Notwithstanding the foregoing, if Tenant is in Default or in the case of an emergency, Landlord may, at its option, perform such maintenance and repairs on Tenant's behalf, in which case Tenant shall pay Landlord, upon demand, the cost of such work plus a coordination fee equal to 10% of such cost. Landlord shall perform all maintenance and repairs to (i) the roof and exterior walls and windows of the Building, (ii) the Base Building, and (iii) the Common Areas. As used herein, "**Base Building**" means the structural portions of the Building, together with all mechanical (including HVAC), electrical, plumbing and fire/life-safety systems serving the Building in general, whether located inside or outside of the Premises.

7.2 **Alterations**. Tenant may not make any improvement, alteration, addition or change to the Premises or to any mechanical, plumbing or HVAC facilities or other systems serving the Premises (an "**Alteration**") without Landlord's prior consent, which consent shall be requested by Tenant not less than 30 days before commencement of work and shall not be unreasonably withheld by Landlord. Notwithstanding the foregoing, Landlord's prior consent shall not be required for any Alteration that is decorative only *(e.g.*, carpet installation or painting) and not visible from outside the Premises, provided that Landlord receives 10 business days' prior notice. For any Alteration, (a) Tenant, before commencing work, shall deliver to Landlord, and obtain Landlord's approval of, plans and specifications; (b) Landlord, in its discretion, may require Tenant to obtain security for performance satisfactory to Landlord; (c) Tenant shall deliver to Landlord "as built" drawings (in CAD format, if requested by Landlord), completion affidavits, full and final lien waivers, and all governmental approvals; and (d) Tenant shall pay Landlord upon demand (i) Landlord's reasonable out-of-pocket expenses incurred in reviewing the work, and (ii) a coordination fee equal to 10% of the cost of the work; provided, however, that this clause (d) shall not apply to any Tenant Improvements.

7.3 **Tenant Work**. Before commencing any repair or Alteration ("**Tenant Work**"), Tenant shall deliver to Landlord, and obtain Landlord's approval of, (a) names of contractors, subcontractors, mechanics, laborers and materialmen; (b) evidence of contractors' and subcontractors' insurance; and (c) any required governmental permits. Tenant shall perform all Tenant Work (i) in a good and workmanlike manner using materials of a quality reasonably approved by Landlord; (ii) in compliance with any approved plans and specifications, all Laws, the National Electric Code, and Landlord's construction rules and regulations; and (iii) in a manner that does not impair the Base Building. If, as a result of any Tenant Work, Landlord becomes required under Law to perform any inspection, give any notice, or cause such Tenant Work to be performed in any particular manner, Tenant shall comply with such requirement and promptly provide Landlord with reasonable documentation of such compliance. Landlord's approval of Tenant's plans and specifications shall not relieve Tenant from any obligation under this Section 7.3. In performing any Tenant Work, Tenant shall not use contractors, services, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with any workforce or trades engaged in performing other work or services at the Project.

8 LANDLORD'S PROPERTY. All Leasehold Improvements shall become Landlord's property upon installation and without compensation to Tenant. Notwithstanding the foregoing, if any Tenant-Insured Improvements are not, in Landlord's reasonable judgment, Building-standard, then before the expiration or earlier termination hereof, Tenant shall, at Landlord's election, either (a) at Tenant's expense, and except as otherwise notified by Landlord, remove such Tenant-Insured Improvements, repair any resulting damage to the Premises or Building, and restore the affected portion of the Premises to its condition existing before the installation of such Tenant-Insured Improvements (or, at Landlord's election, to a Building-standard tenant-improved condition as determined by Landlord), or (b) pay Landlord an amount equal to the estimated cost of such work, as reasonably determined by Landlord. If Tenant fails to timely perform any work required under clause (a) of the preceding sentence, Landlord may perform such work at Tenant's expense.

9 LIENS. Tenant shall keep the Project free from any lien arising out of any work performed, material furnished or obligation incurred by or on behalf of Tenant. Tenant shall remove any such lien within 10 business days after notice from Landlord, and if Tenant fails to do so, Landlord, without limiting its remedies, may pay the amount necessary to cause such removal, whether or not such lien is valid. The amount so paid, together with reasonable attorneys' fees and expenses, shall be reimbursed by Tenant upon demand.

10 INDEMNIFICATION; INSURANCE.

10.1 **Waiver and Indemnification**. Tenant waives all claims against Landlord, its Security Holders (defined in Section 17), Landlord's managing agent(s), their (direct or indirect) owners, and the beneficiaries, trustees, officers, directors, employees and agents of each of the foregoing (including Landlord, the "**Landlord Parties**") for (i) any damage to person or property (or resulting from the loss of use thereof), except to the extent such damage is caused by the negligence or willful misconduct of any Landlord Party, or (ii) any failure to prevent or control any criminal or otherwise wrongful conduct by any third party or to apprehend any third party who has engaged in such conduct. Tenant shall indemnify, defend, protect, and hold the Landlord Parties harmless from any obligation, loss, claim, action, liability, penalty, damage, cost or expense (including reasonable attorneys' and consultants' fees and expenses) (each, a "**Claim**") that is imposed or asserted by any third party and arises from (a) any cause in, on or about the Premises, (b) occupancy of the Premises by, or any negligence or willful misconduct of, Tenant, any party claiming by, through or under Tenant, their (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees, agents, contractors, licensees or invitees, or (c) any breach by Tenant of any representation, covenant or other term contained herein, except to the extent such Claim arises from the negligence or willful misconduct of any Landlord Party. Landlord shall indemnify, defend, protect, and hold Tenant, its (direct or indirect) owners, and their respective beneficiaries, trustees, officers, directors, employees and agents (including Tenant, the "**Tenant Parties**") harmless from any Claim that is imposed or asserted by any third party and arises from (a) any negligence or willful misconduct of any Landlord Party, or (b) any breach by Landlord of any representation, covenant or other term contained herein, except to the extent such Claim arises from the negligence or willful misconduct of any Tenant Party.

10.2 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts:

10.2.1 Commercial General Liability Insurance covering claims of bodily injury, personal injury and property damage arising out of Tenant's operations and contractual liabilities, including coverage formerly known as broad form, on an occurrence basis, with combined primary and excess/umbrella limits of $3,000,000 each occurrence and $4,000,000 annual aggregate.

10.2.2 Property Insurance covering (i) all office furniture, trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property in the Premises installed by, for, or at the expense of Tenant, and (ii) any Leasehold Improvements installed by or for the benefit of Tenant, whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party ("**Tenant-Insured Improvements**"). Such insurance shall be

written on a special cause of loss form for physical loss or damage, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, and shall include coverage for damage or other loss caused by fire or other peril, including vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

10.2.3 Workers' Compensation statutory limits and Employers' Liability limits of **$1,000,000.**

10.3 **Form of Policies.** The minimum limits of insurance required to be carried by Tenant shall not limit Tenant's liability. Such insurance shall be issued by an insurance company that has an A.M. Best rating of not less than A-VIII and shall be in form and content reasonably acceptable to Landlord. Tenant's Commercial General Liability Insurance shall (a) name the Landlord Parties and any other party designated by Landlord **("Additional Insured Parties")** as additional insureds; and (b) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and non-contributing with Tenant's insurance. Landlord shall be designated as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements and trade fixtures. Tenant shall deliver to Landlord, on or before the Commencement Date and at least 15 days before the expiration dates thereof, certificates from Tenant's insurance company on the forms currently designated "ACORD 25" (Certificate of Liability Insurance) and "ACORD 28" (Evidence of Commercial Property Insurance) or the equivalent. Attached to the ACORD 25 (or equivalent) there shall be an endorsement naming the Additional Insured Parties as additional insureds, and attached to the ACORD 28 (or equivalent) there shall be an endorsement designating Landlord as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements and trade fixtures, and each such endorsement shall be binding on Tenant's insurance company. Upon Landlord's request, Tenant shall deliver to Landlord, in lieu of such certificates, copies of the policies of insurance required to be carried under Section 10.2 showing that the Additional Insured Parties are named as additional insureds and that Landlord is designated as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements and trade fixtures.

10.4 **Subrogation.** Each party waives, and shall cause its insurance carrier to waive, any right of recovery against the other party, any of its (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees or agents for any loss of or damage to property which loss or damage is (or, if the insurance required hereunder had been carried, would have been) covered by property insurance. For purposes of this Section 10.4 only, (a) any deductible with respect to a party's insurance shall be deemed covered by, and recoverable by such party under, valid and collectable policies of insurance, and (b) any contractor retained by Landlord to install, maintain or monitor a fire or security alarm for the Building shall be deemed an agent of Landlord.

10.5 **Additional Insurance Obligations.** Tenant shall maintain such increased amounts of the insurance required to be carried by Tenant under this Section 10, and such other types and amounts of insurance covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but not in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building.

11 CASUALTY DAMAGE. With reasonable promptness after discovering any damage to the Premises, or to the Common Areas necessary for access to the Premises, resulting from any fire or other casualty (a **"Casualty"**), Landlord shall notify Tenant of Landlord's reasonable estimate of the time required to substantially complete repair of such damage (the **"Landlord Repairs"**). If, according to such estimate, the Landlord Repairs cannot be substantially completed within 210 days after they are commenced, either party may terminate this Lease upon 60 days' notice to the other party delivered within 10 days after Landlord's delivery of such estimate. Within 90 days after discovering any damage to the Project resulting from any Casualty, Landlord may, whether or not the Premises is affected, terminate this Lease by notifying Tenant if (i) any Security Holder terminates any ground lease or requires that any insurance proceeds be used to pay any mortgage debt; (ii) any damage to Landlord's property is not fully covered by Landlord's insurance policies; (iii) Landlord decides to rebuild the Building or Common Areas so that it or they will be substantially different structurally or architecturally; (iv) the damage occurs during the last 12 months of the Term; or (v) any owner, other than Landlord, of any damaged portion of the Project does not intend to repair such damage. If this Lease is not terminated pursuant to this Section 11, Landlord shall promptly and diligently perform the Landlord Repairs, subject to reasonable delays for insurance adjustment and other events of Force Majeure. The Landlord Repairs shall restore the Premises and the Common Areas necessary for access to the Premises to substantially the same condition that existed when the Casualty occurred, except for (a) any modifications required by Law or any Security Holder, and (b) any modifications to the Common Areas that are deemed desirable by Landlord, are consistent with the character of the Project, and do not materially impair access to the Premises. Notwithstanding Section 10.4, Tenant shall assign to Landlord (or its designee) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.2 with respect to any Tenant-Insured Improvements and trade fixtures, and if the estimated or actual cost of restoring any

Tenant-Insured Improvements and trade fixtures exceeds the insurance proceeds received by Landlord from Tenant's insurance carrier, Tenant shall pay such excess to Landlord within 15 days after Landlord's demand. No Casualty and no restoration performed as required hereunder shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder; provided, however, that if the Premises or any Common Area necessary for Tenant's access to the Premises is damaged by a Casualty, then, during any time that, as a result of such damage, any portion of the Premises is untenantable or inaccessible and is not occupied by Tenant, Monthly Rent shall be abated in proportion to the rentable square footage of such portion of the Premises. If Landlord does not substantially complete the Landlord Repairs on or before the Outside Restoration Date (defined below), then, provided that the Casualty was not caused by the negligence or willful misconduct of Tenant or any party claiming by, through or under Tenant, Tenant may terminate this Lease by notifying Landlord within 15 days after the Outside Restoration Date. As used herein, "**Outside Restoration Date**" means the date occurring two (2) months after the later of (a) the expiration of the time set forth in Landlord's estimate described in the first sentence of this Section 11, or (b) the date occurring 210 days after the commencement of the Landlord Repairs; provided, however, that the Outside Restoration Date shall be extended to the extent of (i) any delay caused by the insurance adjustment process; (ii) any other delay caused by events of Force Majeure (up to 90 days), and (iii) any delay caused by Tenant or any party claiming by, through or under Tenant. Notwithstanding the foregoing, if Landlord determines in good faith that it will be unable to substantially complete the Landlord Repairs on or before the Outside Restoration Date, Landlord may cease its performance of the Landlord Repairs and provide Tenant with notice (the "**Restoration Date Extension Notice**") stating such inability and identifying the date on which Landlord reasonably believes such substantial completion will occur, in which event Tenant may terminate this Lease by notifying Landlord within five (5) business days after receiving the Restoration Date Extension Notice. If Tenant does not terminate this Lease within such 5-business day period, the Outside Restoration Date shall be automatically amended to be the date identified in the Restoration Date Extension Notice.

12 NONWAIVER. No provision hereof shall be deemed waived by either party unless it is waived by such party expressly and in writing, and no waiver of any breach of any provision hereof shall be deemed a waiver of any subsequent breach of such provision or any other provision hereof. Landlord's acceptance of Rent shall not be deemed a waiver of any preceding breach of any provision hereof, other than Tenant's failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of such acceptance. No acceptance of payment of an amount less than the Rent due hereunder shall be deemed a waiver of Landlord's right to receive the full amount of Rent due, whether or not any endorsement or statement accompanying such payment purports to effect an accord and satisfaction. No receipt of monies by Landlord from Tenant after the giving of any notice, the commencement of any suit, the issuance of any final judgment, or the termination hereof shall affect such notice, suit or judgment, or reinstate or extend the Term or Tenant's right of possession hereunder.

13 CONDEMNATION. If any part of the Premises, Building or Project is taken for any public or quasi-public use by power of eminent domain or by private purchase in lieu thereof (a "**Taking**") for more than 180 consecutive days, Landlord may terminate this Lease. If more than 25% of the rentable square footage of the Premises is Taken, or access to the Premises is substantially impaired as a result of a Taking, for more than 180 consecutive days, Tenant may terminate this Lease. Any such termination shall be effective as of the date possession must be surrendered to the authority, and the terminating party shall provide termination notice to the other party within 45 days after receiving written notice of such surrender date. Except as provided above in this Section 13, neither party may terminate this Lease as a result of a Taking. Tenant shall not assert any claim for compensation because of any Taking; provided, however, that Tenant may file a separate claim for any Taking of Tenant's personal property or any fixtures that Tenant is entitled to remove upon the expiration hereof, and for moving expenses, so long as such claim does not diminish the award available to Landlord or any Security Holder and is payable separately to Tenant. If this Lease is terminated pursuant to this Section 13, all Rent shall be apportioned as of the date of such termination. If a Taking occurs and this Lease is not so terminated, Monthly Rent shall be abated for the period of such Taking in proportion to the percentage of the rentable square footage of the Premises, if any, that is subject to, or rendered inaccessible by, such Taking.

14 ASSIGNMENT AND SUBLETTING.

14.1 **Transfers**. Tenant shall not, without Landlord's prior consent, assign, mortgage, pledge, hypothecate, encumber, permit any lien to attach to, or otherwise transfer this Lease or any interest hereunder, permit any assignment or other transfer hereof or any interest hereunder by operation of law, enter into any sublease or license agreement, otherwise permit the occupancy or use of any part of the Premises by any persons other than Tenant and its employees and contractors, or permit a Change of Control (defined in Section 14.6) to occur (each, a **"Transfer"**). If Tenant desires Landlord's consent to any Transfer, Tenant shall provide Landlord with (i) notice of the terms of the proposed Transfer, including its proposed effective date (the **"Contemplated Effective Date"**), a description of the portion of the Premises to be transferred (the **"Contemplated Transfer Space"**), a calculation of the Transfer Premium (defined in Section 14.3), and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (ii) current financial statements of the proposed transferee (or, in

the case of a Change of Control, of the proposed new controlling party(ies)) certified by an officer or owner thereof and any other information reasonably required by Landlord in order to evaluate the proposed Transfer (collectively, the "**Transfer Notice**"). Within 30 days after receiving the Transfer Notice, Landlord shall notify Tenant of (a) its consent to the proposed Transfer, (b) its refusal to consent to the proposed Transfer, or (c) its exercise of its rights under Section 14.4. Any Transfer made without Landlord's prior consent shall, at Landlord's option, be void and shall, at Landlord's option, constitute a Default (defined in Section 19). Tenant shall pay Landlord a fee of $1,500.00 for Landlord's review of any proposed Transfer, whether or not Landlord consents to it.

14.2 **Landlord's Consent**. Subject to Section 14.4, Landlord shall not unreasonably withhold its consent to any proposed Transfer. Without limiting other reasonable grounds for withholding consent, it shall be deemed reasonable for Landlord to withhold consent to a proposed Transfer if:

14.2.1 The proposed transferee is not a party of reasonable financial strength in light of the responsibilities to be undertaken in connection with the Transfer on the date the Transfer Notice is received; or

14.2.2 The proposed transferee has a character or reputation or is engaged in a business that is not consistent with the quality of the Building or the Project; or

14.2.3 The proposed transferee is a governmental entity or a nonprofit organization; or

14.2.4 In the case of a proposed sublease, license or other occupancy agreement, the rent or occupancy fee charged by Tenant to the transferee during the term of such agreement, calculated using a present value analysis, is less than 95% of the rent being quoted by Landlord or its Affiliate (defined in Section 14.8) at the time of such Transfer for comparable space in the Project for a comparable term, calculated using a present value analysis; or

14.2.5 The proposed transferee or any of its Affiliates, on the date the Transfer Notice is received, leases or occupies (or, at any time during the 6-month period ending on the date the Transfer Notice is received, has negotiated with Landlord to lease) space in the Project.

Notwithstanding any contrary provision hereof, (a) if Landlord consents to any Transfer pursuant to this Section 14.2 but Tenant does not enter into such Transfer within six (6) months thereafter, such consent shall no longer apply and such Transfer shall not be permitted unless Tenant again obtains Landlord's consent thereto pursuant and subject to the terms of this Section 14; and (b) if Landlord unreasonably withholds its consent under this Section 14.2, Tenant's sole remedies shall be contract damages (subject to Section 20) or specific performance, and Tenant waives all other remedies, including any right to terminate this Lease.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, Tenant shall pay Landlord an amount equal to 75% of any Transfer Premium (defined below). As used herein, "**Transfer Premium**" means (a) in the case of an assignment, any consideration (including payment for Leasehold Improvements) paid by the assignee for such assignment; (b) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, the amount by which all rent and other consideration paid by the transferee to Tenant pursuant to such agreement exceeds the Monthly Rent payable by Tenant hereunder with respect to the Contemplated Transfer Space; and (c) in the case of a Change of Control, any consideration (including payment for Leasehold Improvements) paid by the new controlling party(ies) to the prior controlling party(ies) on account of this Lease. Payment of Landlord's share of the Transfer Premium shall be made (x) in the case of an assignment or a Change of Control, within 10 days after Tenant or the prior controlling party(ies), as the case may be, receive(s) the consideration described above, and (y) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, within five (5) business days after Tenant receives the rent and other consideration described above.

14.4 **Landlord's Right to Recapture**. Notwithstanding any contrary provision hereof, except in the case of a Permitted Transfer (defined in Section 14.8), Landlord, by notifying Tenant within 30 days after receiving the Transfer Notice, may terminate this Lease with respect to the Contemplated Transfer Space as of the Contemplated Effective Date. If the Contemplated Transfer Space is less than the entire Premises, then Base Rent, Tenant's Share, and the number of parking spaces to which Tenant is entitled under Section 1.9 shall be deemed adjusted on the basis of the percentage of the rentable square footage of the Premises retained by Tenant. Upon request of either party, the parties shall execute a written agreement prepared by Landlord memorializing such termination.

14.5 **Effect of Consent**. If Landlord consents to a Transfer, (i) such consent shall not be deemed a consent to any further Transfer, (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, and (iii) Tenant shall deliver to Landlord, upon Landlord's request, a complete statement, certified by an independent CPA or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium. In the case of an assignment, the assignee shall assume in writing, for Landlord's

benefit, all of Tenant's obligations hereunder. No Transfer, with or without Landlord's consent, shall relieve Tenant or any guarantor hereof from any liability hereunder. Notwithstanding any contrary provision hereof, Tenant, with or without Landlord's consent, shall not enter into, or permit any party claiming by, through or under Tenant to enter into, any sublease, license or other occupancy agreement that provides for payment based in whole or in part on the net income or profit of the subtenant, licensee or other occupant thereunder.

14.6 **Change of Control**. As used herein, **"Change of Control"** means (a) if Tenant is a closely held professional service firm, the withdrawal or change (whether voluntary, involuntary or by operation of law) of 25% or more of its equity owners within a 12-month period; and (b) in all other cases, any transaction(s) resulting in the acquisition of a Controlling Interest (defined below) by one or more parties that did not own a Controlling Interest immediately before such transaction(s). As used herein, **"Controlling Interest"** means any direct or indirect equity or beneficial ownership interest in Tenant that confers upon its holder(s) the direct or indirect power to direct the ordinary management and policies of Tenant, whether through the ownership of voting securities, by contract or otherwise (but not through the ownership of voting securities listed on a recognized securities exchange).

14.7 **Effect of Default**. If Tenant is in Default, Landlord is irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any transferee under any sublease, license or other occupancy agreement to make all payments under such agreement directly to Landlord (which Landlord shall apply towards Tenant's obligations hereunder) until such Default is cured. Such transferee shall rely upon any representation by Landlord that Tenant is in Default, whether or not confirmed by Tenant.

14.8 **Permitted Transfers**. Notwithstanding any contrary provision hereof, if Tenant is not in Default, Tenant may, without Landlord's consent pursuant to Section 14.1, assign this Lease to (a) an Affiliate of Tenant (other than pursuant to a merger or consolidation), (b) a successor to Tenant by merger or consolidation, or (c) a successor to Tenant by purchase of all or substantially all of Tenant's assets (a **"Permitted Transfer"**), provided that (i) at least 10 business days before the Transfer, Tenant notifies Landlord of such Transfer and delivers to Landlord any documents or information reasonably requested by Landlord relating thereto, including reasonable documentation that the Transfer satisfies the requirements of this Section 14.8; (ii) in the case of an assignment pursuant to clause (a) or (c) above, the assignee executes and delivers to Landlord, at least 10 business days before the assignment, a commercially reasonable instrument pursuant to which the assignee assumes, for Landlord's benefit, all of Tenant's obligations hereunder; (iii) in the case of an assignment pursuant to clause (b) above, (A) the successor entity has a net worth (as determined in accordance with GAAP, but excluding intellectual property and any other intangible assets **("Net Worth"))** immediately after the Transfer that is not less than the Net Worth of Tenant immediately before the Transfer, and (B) if Tenant is a closely held professional service firm, at least 75% of its equity owners existing 12 months before the Transfer are also equity owners of the successor entity; (iv) the transferee is qualified to conduct business in the State of California; and (v) the Transfer is made for a good faith operating business purpose and not in order to evade the requirements of this Section 14. As used herein, **"Affiliate"** means, with respect to any party, a person or entity that controls, is under common control with, or is controlled by such party.

15 SURRENDER. Upon the expiration or earlier termination hereof, and subject to Sections 8 and 11 and this Section 15, Tenant shall surrender possession of the Premises to Landlord in as good condition and repair as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, except for reasonable wear and tear, Casualty damage, and repairs that are Landlord's express responsibility hereunder. Before such expiration or termination, Tenant, without expense to Landlord, shall (a) remove from the Premises all debris and rubbish and all furniture, equipment, trade fixtures, Lines, free-standing cabinet work, movable partitions and other articles of personal property that are owned or placed in the Premises by Tenant or any party claiming by, through or under Tenant (except for any Lines not required to be removed under Section 23), and (b) repair all damage to the Premises and Building resulting from such removal. If Tenant fails to timely perform such removal and repair, Landlord may do so at Tenant's expense (including storage costs). If Tenant fails to remove such property from the Premises, or from storage, within 30 days after notice from Landlord, any part of such property shall be deemed, at Landlord's option, either (x) conveyed to Landlord without compensation, or (y) abandoned.

16 HOLDOVER. If Tenant fails to surrender the Premises upon the expiration or earlier termination hereof, Tenant's tenancy shall be subject to the terms and conditions hereof; provided, however, that such tenancy shall be a tenancy at sufferance only, for the entire Premises, and Tenant shall pay Monthly Rent (on a per-month basis without reduction for any partial month) at a rate equal to 150% of the Monthly Rent applicable during the last calendar month of the Term. Nothing in this Section 16 shall limit Landlord's rights or remedies or be deemed a consent to any holdover. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover, Tenant shall be liable for all resulting damages, including lost profits, incurred by Landlord.

17 SUBORDINATION; ESTOPPEL CERTIFICATES. This Lease shall be subject and subordinate to all existing and future ground or underlying leases, mortgages, trust deeds and other encumbrances against the Building or Project, all renewals, extensions, modifications, consolidations and replacements thereof (each, a "**Security Agreement**"), and all advances made upon the security of such mortgages or trust deeds, unless in each case the holder of such Security Agreement (each, a "**Security Holder**") requires in writing that this Lease be superior thereto. Upon any termination or foreclosure (or any delivery of a deed in lieu of foreclosure) of any Security Agreement, Tenant, upon request, shall attorn, without deduction or set-off, to the Security Holder or purchaser or any successor thereto and shall recognize such party as the lessor hereunder and agree to continue this Lease, without modification, as a direct lease between Tenant, as tenant, and such party, as landlord, provided that such party agrees, subject to the terms of a commercially reasonable non-disturbance agreement, to recognize Tenant's rights as tenant hereunder and continue this lease as a direct lease between such party, as landlord, and Tenant, as tenant. Within 10 business days after request by Landlord, Tenant shall execute such further instruments as Landlord may reasonably deem necessary to evidence the subordination or superiority of this Lease to any Security Agreement as provided above in this Section 17. Tenant waives any right it may have under Law to terminate or otherwise adversely affect this Lease or Tenant's obligations hereunder upon a foreclosure. Within 10 business days after Landlord's request, Tenant shall execute and deliver to Landlord a commercially reasonable estoppel certificate in favor of such parties as Landlord may reasonably designate, including current and prospective Security Holders and prospective purchasers.

18 ENTRY BY LANDLORD. At all reasonable times and upon reasonable notice to Tenant, or in an emergency, Landlord may enter the Premises to (i) inspect the Premises; (ii) show the Premises to prospective purchasers, current or prospective Security Holders or insurers, or, during the last 12 months of the Term (or while an uncured Default exists), prospective tenants; (iii) post notices of non-responsibility; or (iv) perform maintenance, repairs or alterations. At any time and without notice to Tenant, Landlord may enter the Premises to perform required services; provided, however, that, except in an emergency, Landlord shall provide Tenant with reasonable prior notice (which notice, notwithstanding Section 25.1, may be delivered by e-mail, fax, telephone or orally and in person) of any entry to perform a service that is not performed on a monthly or more frequent basis. If reasonably necessary, Landlord may temporarily close any portion of the Premises to perform maintenance, repairs or alterations. In an emergency, Landlord may use any means it deems proper to open doors to and in the Premises. Except in an emergency, Landlord shall use reasonable efforts to minimize interference with Tenant's use of the Premises. No entry into or closure of any portion of the Premises pursuant to this Section 18 shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder.

19 DEFAULTS; REMEDIES.

19.1 **Events of Default**. The occurrence of any of the following shall constitute a "**Default**":

19.1.1 Any failure by Tenant to pay any Rent when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's cure herein (in which event Tenant's failure to cure within such time period shall be a Default), and except as otherwise provided in this Section 19.1, any breach by Tenant of any other provision hereof where such breach continues for 30 days after notice from Landlord; provided that if such breach cannot reasonably be cured within such 30-day period, Tenant shall not be in Default as a result of such breach if Tenant diligently commences such cure within such period, thereafter diligently pursues such cure, and completes such cure within 60 days after Landlord's notice; or

19.1.3 Abandonment or vacation of all or a substantial portion of the Premises by Tenant; or

19.1.4 Any breach by Tenant of Sections 5, 14, 17 or 18 where such breach continues for more than two (2) business days after notice from Landlord; or

19.1.5 Tenant becomes in breach of Section 25.3.

If Tenant breaches a particular provision hereof (other than a provision requiring payment of Rent) on three (3) separate occasions during any 12-month period, Tenant's subsequent breach of such provision shall be, at Landlord's option, an incurable Default. The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by Law, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

19.2 **Remedies Upon Default**. Upon any Default, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (which shall be cumulative and nonexclusive), the option to pursue any one or more of the following remedies (which shall be cumulative and nonexclusive) without any notice or demand:

19.2.1 Landlord may terminate this Lease, 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 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; and Landlord may recover from Tenant the following:

(a) The worth at the time of award of the 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 Rent 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 hereunder or which in the ordinary course of things would be likely to result therefrom, including brokerage commissions, advertising expenses, expenses of remodeling any portion of the Premises for a new tenant (whether for the same or a different use), and any special concessions made to obtain a new tenant; plus

(e) At Landlord's option, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Law.

As used in Sections 19.2.1(a) and (b), the "**worth at the time of award**" shall be computed by allowing interest at a rate per annum equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication G.13(415), published on the first Tuesday of each calendar month (or such other comparable index as Landlord shall reasonably designate if such rate ceases to be published) plus two (2) percentage points, or (ii) the highest rate permitted by Law. As used in Section 19.2.1(c), 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%.

19.2.2 Landlord shall have the remedy described in California Civil Code § 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any 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.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, or any Law or other provision hereof), without prior demand or notice except as required by Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Efforts to Relet**. Unless Landlord provides Tenant with express notice to the contrary, no re-entry, repossession, repair, maintenance, change, alteration, addition, reletting, appointment of a receiver or other action or omission by Landlord shall (a) be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, or (b) operate to release Tenant from any of its obligations hereunder. Tenant waives, for Tenant and for all those claiming by, through or under Tenant, California Civil Code § 3275 and California Code of Civil Procedure §§ 1174(c) and 1179 and any existing or future rights to redeem or reinstate, by order or judgment of any court or by any legal process or writ, this Lease or Tenant's right of occupancy of the Premises after any termination hereof.

19.4 **Mitigation of Damages**. Landlord shall use reasonable efforts to mitigate damages resulting from any Default; provided, however, that (a) Landlord shall not be required to relet the Premises in preference to any other space in the Project or to relet the Premises to any party that Landlord could reasonably reject as a transferee pursuant to Section 14.2; and (b) nothing in this Section 19.4 shall limit Landlord's rights under clauses (a), (b) or (c) of Section 19.2.1 or under Sections 19.2.2 or 19.3.

19.5 **Landlord Default**. Landlord shall not be in default hereunder unless it fails to begin within 30 days after notice from Tenant, or fails to pursue with reasonable diligence thereafter, the cure of any breach by Landlord of its obligations hereunder. Before exercising any remedies for a default by Landlord, Tenant shall give notice and a reasonable time to cure to any Security Holder of which Tenant has been notified.

20 LANDLORD EXCULPATION. Notwithstanding any contrary provision hereof, (a) the liability of the Landlord Parties to Tenant shall be limited to an amount equal to the Landlord's interest in the Building; (b) Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment or award against any Landlord Party; (c) no Landlord Party shall have any personal liability for any judgment or deficiency, and Tenant waives and releases such personal liability on behalf of itself and all parties claiming by, through or under Tenant; and (d) no Landlord Party shall be liable for any injury or damage to, or interference with, Tenant's business, including loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or for any form of special or consequential damage.

21 SECURITY DEPOSIT. Concurrently with its execution and delivery hereof, Tenant shall deposit with Landlord the Security Deposit, if any, as security for Tenant's performance of its obligations hereunder. If Tenant breaches any provision hereof, Landlord may, at its option, without notice to Tenant, apply all or part of the Security Deposit to pay any past-due Rent, cure any breach by Tenant, or compensate Landlord for any other loss or damage caused by such breach. If Landlord so applies any portion of the Security Deposit, Tenant, within three (3) days after demand therefor, shall restore the Security Deposit to its original amount. The Security Deposit is not an advance payment of Rent or measure of damages. Any unapplied portion of the Security Deposit shall be returned to Tenant within 60 days after the latest to occur of (a) the expiration of the Term, (b) Tenant's surrender of the Premises as required hereunder, or (c) determination of the final Rent due from Tenant. Landlord shall not be required to keep the Security Deposit separate from its other accounts.

22 RELOCATION. Landlord, after giving no less than 90 days' prior notice, may move Tenant to other space in the Project comparable in size and utility to the Premises. In such event, all terms hereof shall apply to the new space, except that Base Rent and Tenant's Share shall not increase as a result of such relocation. Landlord, at its expense, shall provide Tenant with tenant improvements in the new space at least equal in quality to those in the Premises and shall move Tenant's effects to the new space. Landlord shall reimburse Tenant for Tenant's reasonable moving, re-cabling and stationery-replacement costs. The parties shall execute a written agreement prepared by Landlord memorializing the relocation.

23 COMMUNICATIONS AND COMPUTER LINES. All Lines installed pursuant to this Lease shall be (a) installed in accordance with Section 7; and (b) clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, and the purpose of such Lines (i) every six (6) feet outside the Premises (including the electrical room risers and any Common Areas), and (ii) at their termination points. Landlord may designate specific contractors for work relating to vertical Lines. Sufficient spare cables and space for additional cables shall be maintained for other occupants, as reasonably determined by Landlord. Unless otherwise notified by Landlord, Tenant, at its expense and before the expiration or earlier termination hereof, shall remove all Lines and repair any resulting damage. As used herein, "**Lines**" means all communications or computer wires and cables serving the Premises, whenever and by whomever installed or paid for, including any such wires or cables installed pursuant to any prior lease.

24 PARKING. Tenant may park in the Building's parking facilities (the "**Parking Facility**"), in common with other tenants of the Building, upon the following terms and conditions. Tenant shall not use more than the number of unreserved and/or reserved parking spaces set forth in Section 1.9. Tenant shall pay Landlord, in accordance with Section 3, any fees for the parking spaces described in Section 1.9. Tenant shall pay Landlord any fees, taxes or other charges imposed by any governmental or quasi-governmental agency in connection with the Parking Facility, to the extent such amounts are allocated to Tenant by Landlord. Landlord shall not be liable to Tenant, nor shall this Lease be affected, if any parking is impaired by (or any parking charges are imposed as a result of) any Law. Tenant shall comply with all rules and regulations established by Landlord from time to time for the orderly operation and use of the Parking Facility, including any sticker or other identification system and the prohibition of vehicle repair and maintenance activities in the Parking Facility. Landlord may, in its discretion, allocate and assign parking passes among Tenant and the other tenants in the Building. Tenant's use of the Parking Facility shall be at Tenant's sole risk, and Landlord shall have no liability for any personal injury or damage to or theft of any vehicles or other property occurring in the Parking Facility or otherwise in connection with any use of the Parking Facility by Tenant, its employees or invitees. Landlord may alter the size, configuration, design, layout or any other aspect of the Parking Facility, and, in connection therewith, temporarily deny or restrict access to the Parking Facility, in each case without abatement of Rent or liability to Tenant. Landlord may delegate its responsibilities hereunder to a parking operator, in which case (i) such parking operator shall have all the rights of control reserved herein by Landlord, (ii) Tenant shall enter into a parking agreement with such parking operator, (iii) Tenant shall pay such parking operator, rather than Landlord, any charge established hereunder for the parking spaces, and (iv) Landlord shall have no liability for claims arising through acts or omissions of such parking operator except to the extent caused by Landlord's gross negligence or willful misconduct. Tenant's parking rights under this Section 24 are solely for the benefit of Tenant's employees and invitees and such rights may not be transferred without Landlord's prior consent, except pursuant to a Transfer permitted under Section 14.

25 MISCELLANEOUS.

25.1 **Notices**. Except as provided in Section 18, no notice, demand, statement, designation, request, consent, approval, election or other communication given hereunder ("**Notice**") shall be binding upon either party unless (a) it is in writing; (b) it is (i) sent by certified or registered mail, postage prepaid, return receipt requested, (ii) delivered by a nationally recognized courier service, or (iii) delivered personally; and (c) it is sent or delivered to the address set forth in Section 1.10 or 1.11, as applicable, or to such other place (other than a P.O. box) as the recipient may from time to time designate in a Notice to the other party. Any Notice shall be deemed received on the earlier of the date of actual delivery or the date on which delivery is refused, or, if Tenant is the recipient and has vacated its notice address without providing a new notice address, three (3) days after the date the Notice is deposited in the U.S. mail or with a courier service as described above.

25.2 **Force Majeure**. If either party is prevented from performing any obligation hereunder by any strike, act of God, war, terrorist act, shortage of labor or materials, governmental action, civil commotion or other cause beyond such party's reasonable control ("**Force Majeure**"), such obligation shall be excused during (and any time period for the performance of such obligation shall be extended by) the period of such prevention; provided, however, that this Section 25.2 shall not (a) permit Tenant to hold over in the Premises after the expiration or earlier termination hereof, or (b) excuse any of Tenant's obligations under Sections 3, 4, 5, 21 or 25.3 or any of Tenant's obligations whose nonperformance would interfere with another occupant's use, occupancy or enjoyment of its premises or the Project.

25.3 **Representations and Covenants**. Each party ("**Representing Party**") represents, warrants and covenants to the other that (a) Representing Party is, and at all times during the Term will remain, duly organized, validly existing and in good standing under the Laws of the state of its formation and qualified to do business in the state of California; (b) neither Representing Party's execution of nor its performance under this Lease will cause Representing Party to be in violation of any agreement or Law; (c) Representing Party has the authority to enter into the Lease; (d) Representing Party (and, if Representing Party is Tenant, any guarantor hereof) has not, and at no time during the Term will have, (i) made a general assignment for the benefit of creditors, (ii) filed a voluntary petition in bankruptcy or suffered the filing by creditors of an involuntary petition in bankruptcy that is not dismissed within 30 days, (iii) suffered the appointment of a receiver to take possession of all or substantially all of its assets, (iv) suffered the attachment or other judicial seizure of all or substantially all of its assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally; and (e) each party that (other than through the passive ownership of interests traded on a recognized securities exchange) constitutes, owns, controls, or is owned or controlled by Representing Party or (if Representing Party is Tenant) any guarantor hereof or any subtenant of Tenant is not, and at no time during the Term will be, (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the parties identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/ofac/tllsdn.pdf or any replacement website or other replacement official publication of such list.

25.4 **Signs**. Landlord shall include Tenant's name in any tenant directory located in the lobby on the first floor of the Building. If any part of the Premises is located on a multi-tenant floor, Landlord, at Tenant's cost, shall provide identifying suite signage for Tenant comparable to that provided by Landlord on similar floors in the Building. Tenant may not install (a) any signs outside the Premises, or (b) without Landlord's prior consent in its sole and absolute discretion, any signs, window coverings, blinds or similar items that are visible from outside the Premises.

25.5 **Supplemental HVAC**. If any supplemental HVAC unit (a "**Unit**") serves the Premises, then (a) Tenant shall pay the costs of all electricity consumed in the Unit's operation, together with the cost of installing a meter to measure such consumption; (b) Tenant, at its expense, shall (i) operate and maintain the Unit in compliance with all applicable Laws and such reasonable rules and procedures as Landlord may impose; (ii) keep the Unit in as good working order and condition as exists upon its installation (or, if later, on the date Tenant takes possession of the Premises), subject to normal wear and tear and damage resulting from Casualty; (iii) maintain in effect, with a contractor reasonably approved by Landlord, a contract for the maintenance and repair of the Unit, which contract shall require the contractor, at least once every three (3) months, to inspect the Unit and provide to Tenant a report of any defective conditions, together with any recommendations for maintenance, repair or parts-replacement; (iv) follow all reasonable recommendation of such contractor; and (v) promptly provide to Landlord a copy of such contract and each report issued thereunder; (c) the Unit shall become Landlord's property upon installation and without compensation to Tenant; provided, however, that upon Landlord's request at the expiration or earlier termination hereof, Tenant, at its expense, shall remove the Unit and repair any resulting damage; (d) the Unit shall be deemed (i) a Leasehold Improvement (except for purposes of Section 8), and (ii) for purposes of Section 11, part of the Premises; (e) if the Unit exists on the date of mutual execution and delivery hereof, Tenant accepts the Unit in its "as is" condition, without representation or warranty as to quality, condition, fitness for use or any other matter; (f) if the Unit connects to the Building's condenser water loop (if any), then Tenant shall pay to Landlord, as Additional Rent, Landlord's standard one-time fee for such connection and Landlord's standard monthly per-ton

usage fee; and (g) if any portion of the Unit is located on the roof, then (i) Tenant's access to the roof shall be subject to such reasonable rules and procedures as Landlord may impose; (ii) Tenant shall maintain the affected portion of the roof in a clean and orderly condition and shall not interfere with use of the roof by Landlord or any other tenants or licensees; and (iii) Landlord may relocate the Unit and/or temporarily interrupt its operation, without liability to Tenant, as reasonably necessary to maintain and repair the roof or otherwise operate the Building.

25.6 **Attorneys' Fees**. In any action or proceeding between the parties, including any appellate or alternative dispute resolution proceeding, the prevailing party may recover from the other party all of its costs and expenses in connection therewith, including reasonable attorneys' fees and costs. Tenant shall pay all reasonable attorneys' fees and other fees and costs that Landlord incurs in interpreting or enforcing this Lease or otherwise protecting its rights hereunder (a) where Tenant has failed to pay Rent when due, or (b) in any bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Tenant or this Lease.

25.7 **Brokers**. Tenant represents to Landlord that it has dealt only with Tenant's Broker as its broker in connection with this Lease. Tenant shall indemnify, defend, and hold Landlord harmless from all claims of any brokers, other than Tenant's Broker, claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify, defend and hold Tenant harmless from all claims of any brokers, including Landlord's Broker, claiming to have represented Landlord in connection with this Lease. Tenant acknowledges that any Affiliate of Landlord that is involved in the negotiation of this Lease is representing only Landlord, and that any assistance rendered by any agent or employee of such Affiliate in connection with this Lease or any subsequent amendment or other document related hereto has been or will be rendered as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant. Landlord shall pay a brokerage commission to Tenant's Broker subject to the terms of a separate written agreement to be entered into between Landlord and Tenant's Broker.

25.8 **Governing Law; WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the Laws of the State of California. THE PARTIES WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE OR ANY EMERGENCY OR STATUTORY REMEDY.

25.9 **Waiver of Statutory Provisions**. Each party waives California Civil Code §§ 1932(2) and 1933(4). Tenant waives (a) any rights under (i) California Civil Code §§ 1932(1), 1941, 1942, 1950.7 or any similar Law, or (ii) California Code of Civil Procedure § 1265.130; and (b) any right to terminate this Lease under California Civil Code § 1995.310.

25.10 **Interpretation**. As used herein, the capitalized term "Section" refers to a section hereof unless otherwise specifically provided herein. As used in this Lease, the terms "herein," "hereof," "hereto" and "hereunder" refer to this Lease and the term "include" and its derivatives are not limiting. Any reference herein to "any part" or "any portion" of the Premises, the Property or any other property shall be construed to refer to all or any part of such property. Wherever this Lease requires Tenant to comply with any Law, rule, regulation, procedure or other requirement or prohibits Tenant from engaging in any particular conduct, this Lease shall be deemed also to require Tenant to cause each of its employees, licensees, invitees and subtenants, and any other party claiming by, through or under Tenant, to comply with such requirement or refrain from engaging in such conduct, as the case may be. Wherever this Lease requires Landlord to provide a customary service or to act in a reasonable manner (whether in incurring an expense, establishing a rule or regulation, providing an approval or consent, or performing any other act), this Lease shall be deemed also to provide that whether such service is customary or such conduct is reasonable shall be determined by reference to the practices of owners of buildings that (i) are comparable to the Building in size, age, class, quality and location, and (ii) at Landlord's option, have been, or are being prepared to be, certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system or a similar rating system. Tenant waives the benefit of any rule that a written agreement shall be construed against the drafting party.

25.11 **Entire Agreement**. This Lease sets forth the entire agreement between the parties relating to the subject matter hereof and supersedes any previous agreements (none of which shall be used to interpret this Lease). Tenant acknowledges that in entering into this Lease it has not relied upon any representation, warranty or statement, whether oral or written, not expressly set forth herein. This Lease can be modified only by a written agreement signed by both parties.

25.12 **Other**. Landlord, at its option, may cure any Default, without waiving any right or remedy or releasing Tenant from any obligation, in which event Tenant shall pay Landlord, upon demand, the cost of such cure. If any provision hereof is void or unenforceable, no other provision shall be affected. Submission of this instrument for examination or signature by Tenant does not constitute an option or offer to lease, and this instrument is not binding until it has been executed and delivered by both parties.

If Tenant is comprised of two or more parties, their obligations shall be joint and several. Time is of the essence with respect to the performance of every provision hereof in which time of performance is a factor. So long as Tenant performs its obligations hereunder, Tenant shall have peaceful and quiet possession of the Premises against any party claiming by, through or under Landlord, subject to the terms hereof. Landlord may transfer its interest herein, in which event Landlord shall be released from, Tenant shall look solely to the transferee for the performance of, and the transferee shall be deemed to have assumed, all of Landlord's obligations arising hereunder after the date of such transfer (including the return of any Security Deposit) and Tenant shall attorn to the transferee. Landlord reserves all rights not expressly granted to Tenant hereunder, including the right to make alterations to the Project. No rights to any view or to light or air over any property are granted to Tenant hereunder. The expiration or termination hereof shall not relieve either party of any obligation that accrued before, or continues to accrue after, such expiration or termination.

25.13 **Fitness Center**. Subject to the provisions of this Section 25.13, so long as Tenant is not in Default under this Lease, and provided Tenant's employees execute Landlord's standard waiver of liability form and pay the applicable one time or monthly fee, if any, then Tenant's employees (the "**Fitness Center Users**") shall be entitled to use the fitness center (the "**Fitness Center**") in the Building. The use of the Fitness Center shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Fitness Center. Landlord and Tenant acknowledge that the use of the Fitness Center by the Fitness Center Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Fitness Center User's use of the Fitness Center. The costs of operating, maintaining and repairing the Fitness Center may be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Fitness Center (or any other fitness facility) throughout the Term of this Lease, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Fitness Center. No expansion, contraction, elimination or modification of the Fitness Center, and no termination of Tenant's or the Fitness Center Users' rights to the Fitness Center shall entitle Tenant to an abatement or reduction in Rent, or constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

25.14 **Shower Facility**. Subject to the provisions of this Section 25.14, so long as Tenant is not in Default under this Lease, Tenant employees (the "**Shower Users**") shall be entitled to use the shower facility (the "**Shower Facility**") in the Building. The use of the Shower Facility shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Shower Facility. Landlord and Tenant acknowledge that the use of the Shower Facility by the Shower Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Shower User's use of the Shower Facility. The costs of operating, maintaining and repairing the Shower Facility shall be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Shower Facility throughout the Term, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Shower Facility. No expansion, contraction, elimination or modification of the Shower Facility, and no termination of Tenant's or the Shower User's rights to the Shower Facility shall entitle Tenant to an abatement or reduction in Rent, constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President - Leasing

TENANT:

BIOGENERICS, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: [*chairman][president][vice-president]*

By: _____
Name: _____
Title: [*secretary][assistant secretary]*
[chief financial officer][assistant treasurer]

EXHIBIT A

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

OUTLINE OF PREMISES

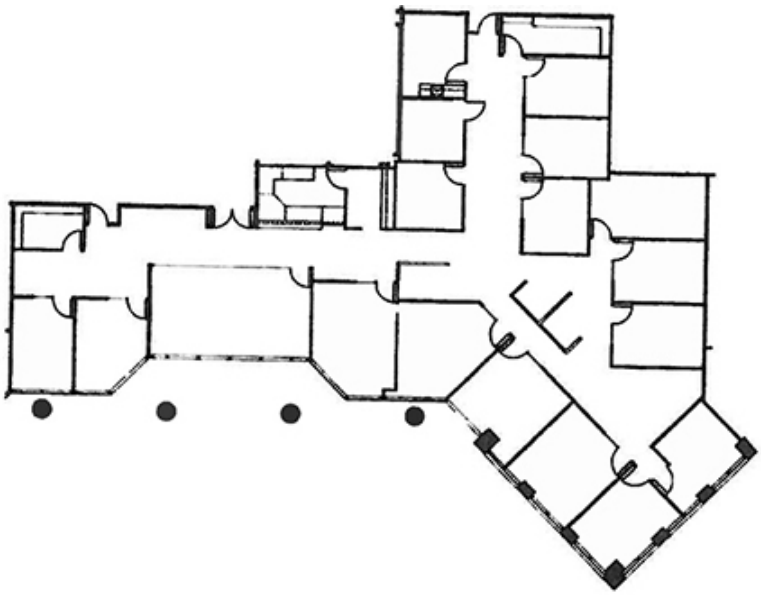


EXHIBIT B

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

WORK LETTER

As used in this **Exhibit B** (this "**Work Letter**"), the following terms shall have the following meanings: "**Agreement**" means the lease of which this Work Letter is a part. "**Tenant Improvements**" means all improvements to be constructed in the Premises pursuant to this Work Letter. "**Tenant Improvement Work**" means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Section 2.7 below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 WORK LIST.

2.1 **Work List**. Landlord shall perform improvements to the Premises in accordance with the following work list (the "**Work List**") using Building-standard methods, materials and finishes.

WORK LIST

ITEM

1. **Install Building standard carpet in the private offices and conference room located in the interior of the Premises.**
2. **Professionally clean carpets in the interior of the Premises which such cleaning shall not include the new carpet installed pursuant to Work List item #1 above.**
3. **Touch-up paint where needed (as reasonably determined by Landlord) in the interior of the Premises.**
4. **Buff and refinish the wood railing tops of built-in cubicles located in the interior of the Premises.**

2.2 **Responsibility for Approving Work List**. Tenant shall be responsible for ensuring that all elements of the design of the Tenant Improvement Work are suitable for Tenant's use of the Premises, and neither the preparation nor the approval of the Work List by Landlord shall relieve Tenant from such responsibility.

2.3 **[Intentionally Omitted.]**

2.4 **[Intentionally Omitted.]**

2.5 **[Intentionally Omitted.]**

2.6 **[Intentionally Omitted.]**

2.7 **Revisions to Work List**. The Work List shall not be revised without Landlord's agreement, which agreement may be withheld or conditioned in Landlord's sole and absolute discretion. If Tenant requests any revision to the Work List, Landlord shall provide Tenant with notice approving or disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the cost of the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has commenced performance of the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the cost of the Tenant Improvement Work that results from such revision.

2.8 **Time Deadlines**. Tenant shall use its best efforts to cooperate with Landlord and its contractors and other consultants to provide any necessary approvals relating to the Work List and obtain any necessary permits for the Tenant Improvement Work as soon as possible after the execution of this Agreement, and Tenant shall meet with Landlord, in accordance with a schedule determined by Landlord, to discuss the parties' progress.

3 CONSTRUCTION.

3.1 **Contractor**. A contractor designated by Landlord (the "**Contractor**") shall perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the performance of the Tenant Improvement Work.

3.2 **Construction**

3.2.1 [Intentionally Omitted.]

3.2.2 Landlord's Retention of Contractor. Landlord shall independently retain the Contractor to perform the Tenant Improvement Work in accordance with the Work List.

3.2.3 Contractor's Warranties. Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after substantial completion of the Tenant Improvements, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvements, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall, at its option, either correct, or pay for the correction such defect.

4 COMPLETION.

4.1 **Ready for Occupancy.** For purposes of Section 1.3.2 of this Agreement, the Premises shall be deemed "**Ready for Occupancy**" upon the substantial completion of the Tenant Improvement Work. Subject to Section 4.2 below, the Tenant Improvement Work shall be deemed to be "**substantially complete**" upon the completion of the Tenant Improvement Work pursuant to the Work List (as reasonably determined by Landlord), with the exception of any details of construction, mechanical adjustment or any other similar matter the non-completion of which does not materially interfere with Tenant's use of the Premises.

4.2 **Tenant Delay.** If the substantial completion of the Tenant Improvement Work is delayed (a "**Tenant Delay**") as a result of (a) [Intentionally Omitted]; (b) Tenant's failure to timely approve any matter requiring Tenant's approval; (c) any breach by Tenant of this Work Letter or the Lease; (d) any request by Tenant for a revision to the Work List (except to the extent such delay results from any failure of Landlord to comply with its obligations under Section 2.7 above); (e) Tenant's requirement for materials, components, finishes or improvements that are not available in a commercially reasonable time given the anticipated date of substantial completion of the Tenant Improvement Work as set forth in this Agreement; (f) any change to the base, shell or core of the Premises or Building required by the Work List; or (g) any other act or omission of Tenant or any of its agents, employees or representatives, then, notwithstanding any contrary provision of this Agreement, and regardless of when the Tenant Improvement Work is actually substantially completed, the Tenant Improvement Work shall be deemed to be substantially completed on the date on which the Tenant Improvement Work would have been substantially completed if no such Tenant Delay had occurred.

5 **MISCELLANEOUS.** Notwithstanding any contrary provision of this Agreement, if Tenant defaults under this Agreement before the Tenant Improvement Work is completed, Landlord's obligations under this Work Letter shall be excused until such default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Work Letter shall not apply to any space other than the Premises.

EXHIBIT C

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

CONFIRMATION LETTER

_____, 20 __

To: _____

_____

_____

_____

Re: Office Lease (the "**Lease**") dated , 2011, between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord")**, and **BIOGENERICS, INC., a Delaware corporation ("Tenant")**, concerning Suite 200 on the second floor of the building located at 201 Redwood Shores Parkway, Redwood City, California.

Lease ID: _____

Business Unit Number: _____

Dear _____:

In accordance with the Lease, Tenant accepts possession of the Premises and confirms the following:

1. The Commencement Date is and the Expiration Date is .
2. The exact number of rentable square feet within the Premises is 6,638 square feet, subject to Section 2.1.1 of the Lease.
3. Tenant's Share, based upon the exact number of rentable square feet within the Premises, is 1.9846%, subject to Section 2.1.1 of the Lease.

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. Please note that, pursuant to Section 2.1.1 of the Lease, if Tenant fails to execute and return (or, by notice to Landlord, reasonably object to) this letter within five (5) days after receiving it, Tenant shall be deemed to have executed and returned it without exception.

"Landlord":

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

Agreed and Accepted as of , 2011.

“Tenant”:

BIOGENERICS, INC., a Delaware corporation

By: _____

Name: _____

Title: _____

EXHIBIT D

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

RULES AND REGULATIONS

Tenant shall comply with the following rules and regulations (as modified or supplemented from time to time, the "**Rules and Regulations**"). Landlord shall not be responsible to Tenant for the nonperformance of any of the Rules and Regulations by any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices and toilet rooms furnished to or otherwise procured by Tenant, and if any such keys are lost, Tenant shall pay Landlord the cost of replacing them or of changing the applicable locks if Landlord deems such changes necessary.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord may close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant shall cause its employees, agents, contractors, invitees and licensees who use Building doors during such hours to securely close and lock them after such use. Any person entering or leaving the Building during such hours, or when the Building doors are otherwise locked, may be required to sign the Building register, and access to the Building may be refused unless such person has proper identification or has a previously arranged access pass. Landlord will furnish passes to persons for whom Tenant requests them. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. Landlord and its agents shall not be liable for damages for any error with regard to the admission or exclusion of any person to or from the Building. In case of invasion, mob, riot, public excitement or other commotion, Landlord may prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord may prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property. Any damage to the Building, its contents, occupants or invitees resulting from Tenant's moving or maintaining any such safe or other heavy property shall be the sole responsibility and expense of Tenant (notwithstanding Sections 7 and 10.4 of this Lease).

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without Landlord's prior consent. Tenant shall not disturb, solicit, peddle or canvass any occupant of the Project.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance shall be thrown therein. Notwithstanding Sections 7 and 10.4 of this Lease, Tenant shall bear the expense of any breakage, stoppage or damage resulting from any violation of this rule by Tenant or any of its employees, agents, contractors, invitees or licensees.

9. Tenant shall not overload the floor of the Premises, or mark, drive nails or screws or drill into the partitions, woodwork or drywall of the Premises, or otherwise deface the Premises, without Landlord's prior consent. Tenant shall not purchase bottled water, ice, towel, linen, maintenance or other like services from any person not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated in the Premises without Landlord's prior consent.

11. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises or about the Project, except for such substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all Laws. Without limiting the foregoing, Tenant shall not, without Landlord's prior consent, use, store, install, disturb, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant and shall remain solely liable for the costs of abatement and removal. No burning candle or other open flame shall be ignited or kept by Tenant in the Premises or about the Project.

12. Tenant shall not, without Landlord's prior consent, use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use or keep any foul or noxious gas or substance in or on the Premises, or occupy or use the Premises in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors or vibrations, or interfere with other occupants or those having business therein, whether by the use of any musical instrument, radio, CD player or otherwise. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals (other than service animals), birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done in the Premises, nor shall the Premises be used for lodging, for living quarters or sleeping apartments, or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and invitees, provided that such use complies with all Laws.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except to the extent such storage may be incidental to the Permitted Use. Tenant shall not occupy the Premises as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics or tobacco, or as a medical office, a barber or manicure shop, or an employment bureau, without Landlord's prior consent. Tenant shall not engage or pay any employees in the Premises except those actually working for Tenant in the Premises, nor advertise for laborers giving an address at the Premises.

17. Landlord may exclude from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs, or who violates any of these Rules and Regulations.

18. Tenant shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning, shall cooperate with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall not attempt to adjust any controls. Tenant shall install and use in the Premises only ENERGY STAR rated equipment, where available. Tenant shall use recycled paper in the Premises to the extent consistent with its business requirements.

20. Tenant shall store all its trash and garbage inside the Premises. No material shall be placed in the trash or garbage receptacles if, under Law, it may not be disposed of in the ordinary and customary manner of disposing of trash and garbage in the vicinity of the Building. All trash, garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Landlord shall designate. Tenant shall comply with Landlord's recycling program, if any.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Any persons employed by Tenant to do janitorial work shall be subject to Landlord's prior consent and, while in the Building and outside of the Premises, shall be subject to the control and direction of the Building manager (but not as an agent or employee of such manager or Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awning or other projection shall be attached to the outside walls of the Building without Landlord's prior consent. Other than Landlord's Building-standard window coverings, no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without Landlord's prior consent. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings.

24. Tenant shall not obstruct any sashes, sash doors, skylights, windows or doors that reflect or admit light or air into the halls, passageways or other public places in the Building, nor shall Tenant place any bottles, parcels or other articles on the windowsills.

25. Tenant must comply with requests by Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with the State of California "No-Smoking" law set forth in California Labor Code Section 6404.5 and with any local "No-Smoking" ordinance that is not superseded by such law.

27. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by Law.

28. All office equipment of an electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise or annoyance.

29. Tenant shall not use any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without Landlord's prior consent.

31. Without Landlord's prior consent, Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises.

Landlord may from time to time modify or supplement these Rules and Regulations in a manner that, in Landlord's reasonable judgment, is appropriate for the management, safety, care and cleanliness of the Premises, the Building, the Common Areas and the Project, for the preservation of good order therein, and for the convenience of other occupants and tenants thereof. Landlord may waive any of these Rules and Regulations for the benefit of any tenant, but no such waiver shall be construed as a waiver of such Rule and Regulation in favor of any other tenant nor prevent Landlord from thereafter enforcing such Rule and Regulation against any tenant.

EXHIBIT E

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

JUDICIAL REFERENCE

IF THE JURY-WAIVER PROVISIONS OF SECTION 25.8 OF THIS LEASE ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THE PROVISIONS SET FORTH BELOW SHALL APPLY.

It is the desire and intention of the parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Lease or related to the Premises will be resolved in a prompt and expeditious manner. Accordingly, except with respect to actions for unlawful or forcible detainer or with respect to the prejudgment remedy of attachment, any action, proceeding or counterclaim brought by either party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters arising out of or in any way connected with this Lease, Tenant's use or occupancy of the Premises and/or any claim of injury or damage, whether sounding in contract, tort, or otherwise, shall be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Sections 638 — 645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "**Referee Sections**"). Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall be paid by the party initiating such procedure (except that if a reporter is requested by either party, then a reporter shall be present at all proceedings where requested and the fees of such reporter—except for copies ordered by the other parties—shall be borne by the party requesting the reporter); provided however, that allocation of the costs and fees, including any initiation fee, of such proceeding shall be ultimately determined in accordance with Section 25.6 of this Lease. The venue of the proceedings shall be in the county in which the Premises is located. Within 10 days of receipt by any party of a request to resolve any dispute or controversy pursuant to this **Exhibit E,** the parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the Referee Sections. If the parties are unable to agree upon a referee within such 10-day period, then any party may thereafter file a lawsuit in the county in which the Premises is located for the purpose of appointment of a referee under the Referee Sections. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in the relevant matters to be determined, from Jams/Endispute, Inc., ADR Services, Inc. or a similar mediation/arbitration entity approved by each party in its sole and absolute discretion. The proposed referee may be challenged by any party for any of the grounds listed in the Referee Sections. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs in accordance with this Lease. The referee shall not, however, have the power to award punitive damages, nor any other damages that are not permitted by the express provisions of this Lease, and the parties waive any right to recover any such damages. The parties may conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California Law. The reference proceeding shall be conducted in accordance with California Law (including the rules of evidence), and in all regards, the referee shall follow California Law applicable at the time of the reference proceeding. The parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this **Exhibit E**. In this regard, the parties agree that the parties and the referee shall use best efforts to ensure that (a) discovery be conducted for a period no longer than 6 months from the date the referee is appointed, excluding motions regarding discovery, and (b) a trial date be set within 9 months of the date the referee is appointed. In accordance with Section 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this **Exhibit E** shall prejudice the right of any party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the Code of Civil Procedure and/or applicable court rules.

EXHIBIT F

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

ADDITIONAL PROVISIONS

1. **Provisions Required Under Existing Security Agreement.** Notwithstanding any contrary provision of this Lease:

A. **Permitted Use.** No portion of the Premises shall be used for any of the following uses: any pornographic or obscene purposes, any commercial sex establishment, any pornographic, obscene, nude or semi-nude performances, modeling, materials, activities, or sexual conduct or any other use that, as of the time of the execution hereof, has or could reasonably be expected to have a material adverse effect on the Property or its use, operation or value.

B. **Subordination and Attornment.** This Lease shall be subject and subordinate to any Security Agreement (other than a ground lease) existing as of the date of mutual execution and delivery of this Lease (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, an "**Existing Security Agreement**") or any loan document secured by any Existing Security Agreement (an "**Existing Loan Document**"). In the event of the enforcement by any Security Holder of any remedy under any Existing Security Agreement or Existing Loan Document, Tenant shall, at the option of the Security Holder or of any other person or entity succeeding to the interest of the Security Holder as a result of such enforcement, attorn to the Security Holder or to such person or entity and shall recognize the Security Holder or such successor in the interest as lessor under this Lease without change in the provisions thereof; provided, however, the Security Holder or such successor in interest shall not be liable for or bound by (i) any payment of an installment of rent or additional rent which may have been made more than thirty (30) days before the due date of such installment, (ii) any act or omission of or default by Landlord under this Lease (but the Security Holder, or such successor, shall be subject to the continuing obligations of Landlord to the extent arising from and after such succession to the extent of the Security Holder's, or such successor's, interest in the Property), (iii) any credits, claims, setoffs or defenses which Tenant may have against Landlord, or (iv) any obligation under this Lease to maintain a fitness facility at the Property. Tenant, upon the reasonable request by the Security Holder or such successor in interest, shall execute and deliver an instrument or instruments confirming such attornment. Notwithstanding the foregoing, in the event the Security Holder under any Existing Security Agreement or Existing Loan Document shall have entered into a separate subordination, attornment and non-disturbance agreement directly with Tenant governing Tenant's obligation to attorn to the Security Holder or such successor in interest as lessor, the terms and provisions of such agreement shall supersede the provisions of this Subsection.

C. **Proceeds.**

1. As used herein, "**Proceeds**" means any compensation, awards, proceeds, damages, claims, insurance recoveries, causes or rights of action (whenever accrued) or payments which Landlord may receive or to which Landlord may become entitled with respect to the Property or any part thereof (other than payments received in connection with any liability or loss of rental value or business interruption insurance) in connection with any taking by condemnation or eminent domain ("**Taking**") of, or any casualty or other damage or injury to, the Property or any part thereof.

2. Nothing in this Lease shall be deemed to entitle Tenant to receive and retain Proceeds except those that may be specifically awarded to it in condemnation proceedings because of the Taking of its trade fixtures and its leasehold improvements which have not become part of the Property and such business loss as Tenant may specifically and separately establish. Nothing in the preceding sentence shall be deemed to expand any right Tenant may have under this Lease to receive or retain any Proceeds.

3. Nothing in this Lease shall be deemed to prevent Proceeds from being held and disbursed by any Security Holder under any Existing Loan Documents in accordance with the terms of such Existing Loan Documents. However, if, in the event of any casualty or partial Taking, any obligation of Landlord under this Lease to restore the Premises or the Building is materially diminished by the operation of the preceding sentence, then Landlord, as soon as reasonably practicable after the occurrence of such casualty or partial Taking, shall provide written notice to Tenant describing such diminution with reasonably specificity, whereupon, unless Landlord has agreed in writing, in its sole and absolute discretion, to waive such diminution, Tenant, by written notice to Landlord delivered within 10 days after receipt of Landlord's notice, shall have the right to terminate this Lease effective 10 days after the date of such termination notice.

2. **Extension Option.**

2.1. Grant of Option; Conditions. Tenant shall have the right (the "**Extension Option**") to extend the Term for one additional period of three (3) years commencing on the day following the Expiration Date and ending on the third anniversary of the Expiration Date (the "**Extension Term**"), if:

A. Not less than 9 and not more than 12 full calendar months before the Expiration Date, Tenant delivers written notice to Landlord (the "**Extension Notice**") electing to exercise the Extension Option and stating Tenant's estimate of the Prevailing Market (defined in Section 2.5 below) rate for the Extension Term;

B. Tenant is not in default under the Lease beyond any applicable cure period when Tenant delivers the Extension Notice;

C. No part of the Premises is sublet when Tenant delivers the Extension Notice; and

D. The Lease has not been assigned before Tenant delivers the Extension Notice.

2.2. Terms Applicable to Extension Term.

A. During the Extension Term, (a) the Base Rent rate per rentable square foot shall be equal to the Prevailing Market rate per rentable square foot; (b) Base Rent shall increase, if at all, in accordance with the increases assumed in the determination of Prevailing Market rate; and (c) Base Rent shall be payable in monthly installments in accordance with the terms and conditions of the Lease.

B. During the Extension Term Tenant shall pay Tenant's Share of Expenses and Taxes for the Premises in accordance with the Lease.

2.3. Procedure for Determining Prevailing Market. Within 30 days after receiving the Extension Notice, Landlord shall give Tenant either (i) written notice ("**Landlord's Binding Notice**") accepting Tenant's estimate of the Prevailing Market rate for the Extension Term stated in the Extension Notice, or (ii) written notice ("**Landlord's Rejection Notice**") rejecting such estimate and stating Landlord's estimate of the Prevailing Market rate for the Extension Term. If Landlord gives Tenant a Landlord's Rejection Notice, Tenant, within 15 days thereafter, shall give Landlord either (i) written notice ("**Tenant's Binding Notice**") accepting Landlord's estimate of the Prevailing Market rate for the Extension Term stated in such Landlord's Rejection Notice, or (ii) written notice ("**Tenant's Rejection Notice**") rejecting such estimate. If Tenant gives Landlord a Tenant's Rejection Notice, Landlord and Tenant shall work together in good faith to agree in writing upon the Prevailing Market rate for the Extension Term. If, within 30 days after delivery of a Tenant's Rejection Notice, the parties fail to agree in writing upon the Prevailing Market rate, Tenant's Extension Option shall be of no further force or effect.

2.4. Extension Amendment. If Tenant is entitled to and properly exercises its Extension Option, and if the Prevailing Market rate for the Extension Term is determined in accordance with Section 2.3 above, Landlord, within a reasonable time thereafter, shall prepare and deliver to Tenant an amendment (the "**Extension Amendment**") reflecting changes in the Base Rent, the Term, the Expiration Date, and other appropriate terms, and Tenant shall execute and return the Extension Amendment to Landlord (or provide reasonable comments thereto) within 15 days after receiving it. Notwithstanding the foregoing, upon determination of the Prevailing Market rate for the Extension Term in accordance with Section 2.3 above, an otherwise valid exercise of the Extension Option shall be fully effective whether or not the Extension Amendment is executed.

2.5. Definition of Prevailing Market. For purposes of this Extension Option, "**Prevailing Market**" shall mean the arms-length, fair-market, annual rental rate per rentable square foot under extension and renewal leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and office buildings comparable to the Building in the Redwood City, California area. The determination of Prevailing Market shall take into account any material economic differences between the terms of the Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions, and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes. The determination of Prevailing Market shall also take into consideration any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under the Lease.

2.6. Subordination. Notwithstanding anything herein to the contrary, Tenant's Extension Option is subject and subordinate to the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or the Project existing on the date hereof.

3. **Monument Signage.**

3.1. So long as (i) Tenant is not in Default under the terms of the Lease; (ii) Tenant is in occupancy of the Premises; (iii) Tenant has not assigned the Lease or sublet any part of the Premises, and (iv) Tenant notifies Landlord prior to October 1, 2011, of its desire to have a Panel (as hereinafter defined) (individually a "**Signage Condition**" and collectively, the "**Signage Conditions**"), Tenant shall have the right, subject to the terms hereof, to have its name placed (the "**Panel**") on the shared Building monument sign located in front of the Building's main entrance (the "**Monument Sign**"). The installation of the Panel shall be subject to (a) the approval of any governmental authority having jurisdiction and (b) the existing rights of existing tenants in the Building. The location of the Panel shall be subject to Landlord's reasonable discretion. The Panel shall (1) be designed by Landlord, (2) contain the Tenant's name, (3) be of a similar size and style as the names of other tenants on the Monument Sign and be harmonious with the design standards of the Building and Monument Sign, (4) be affixed to the Monument Sign in a manner consistent with the other tenant names on the Monument Sign, and (5) if the other tenant names on the Monument Sign are currently illuminated, be illuminated in a similar manner. Following receipt of all necessary governmental approvals and so long as the Signage Conditions are satisfied, Landlord, at Tenant's sole cost and expense, shall fabricate, construct and thereafter install the Panel on the Monument Sign. All costs for which Tenant is responsible under this Section 3.1 shall be paid by Tenant to Landlord within 30 days of written request by Landlord.

3.2. Although Landlord will perform the maintenance and repair to the Monument Sign and the Panel, Tenant shall be liable for all costs related to such maintenance, and, if applicable, illumination thereof. In the event that additional names are listed on the Monument Sign, all future costs of maintenance and repair shall be prorated between Tenant and the other parties that are listed on the Monument Sign. All costs for which Tenant is responsible under this Section 3.2 shall be paid by Tenant to Landlord within 30 days of written request by Landlord.

3.3. Upon expiration or earlier termination of the Lease or if during the Term (and any extensions thereof) any of the Signage Conditions are no longer satisfied, then Tenant's rights granted herein will terminate and Tenant, at its cost within 30 days after request by Landlord, shall remove Tenant's Panel from the Monument Sign and restore the affected portion of the Monument Sign to the condition it was in prior to installation of Tenant's Panel, ordinary wear and tear excepted. If Tenant does not perform such work within such 30 day period, then Landlord may do so, at Tenant's cost, and Tenant shall reimburse Landlord for the cost of such work within 30 days after request therefore. The provisions of this Section 3.3 shall survive expiration or earlier termination of the Lease.

3.4. Landlord may, at any time during the Term (or any extension thereof), upon 30 days prior written notice to Tenant, relocate the position of Tenant's Panel. The cost of such relocation of Tenant's Panel shall be at the cost and expense of Landlord.

FIRST AMENDMENT

THIS FIRST AMENDMENT (this "**Amendment**") is made and entered into as of May 17, 2012, by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership** ("**Landlord**"), and **COHERUS BIOSCIENCE, INC., a Delaware corporation** ("**Tenant**").

RECITALS

A. Landlord and Tenant (formerly known as Biogenerics, Inc., a Delaware corporation) are parties to that certain lease dated September 26, 2011 (the **"Lease").** Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **6,638** rentable square feet (the **"Existing Premises")** described as Suite 200 on the second floor of the building commonly known as Towers @ Shores-201 Redwood Shores located at 201 Redwood Shores Parkway, Redwood City, California (the **"Building").**

B. The parties wish to expand the Premises (defined in the Lease) to include additional space, containing approximately **1,865** rentable square feet described as Suite 295 on the second floor of the Building and shown on **Exhibit A** attached hereto (the **"Expansion Space"),** on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Expansion.**

1.1. **Effect of Expansion.** Effective as of the Expansion Effective Date (defined in Section 1.2 below), the Premises shall be increased from 6,638 rentable square feet on the second floor to **8,503** rentable square feet on the second floor by the addition of the Expansion Space, and, from and after the Expansion Effective Date, the Existing Premises and the Expansion Space shall collectively be deemed the Premises. The term of the Lease for the Expansion Space (the **"Expansion Term")** shall commence on the Expansion Effective Date and, unless sooner terminated in accordance with the Lease, end on the Expiration Date (which the parties acknowledge is September 30, 2013). From and after the Expansion Effective Date, the Expansion Space shall be subject to all the terms and conditions of the Lease except as provided herein. Except as may be expressly provided herein, (a) Tenant shall not be entitled to receive, with respect to the Expansion Space, any allowance, free rent or other financial concession granted with respect to the Existing Premises, and (b) no representation or warranty made by Landlord with respect to the Existing Premises shall apply to the Expansion Space.

1.2. **Expansion Effective Date.** As used herein, **"Expansion Effective Date"** means the earlier to occur of (i) the date on which Tenant first conducts business in the Expansion Space, or (ii) June 1, 2012; provided, however, that if Landlord fails to deliver the Expansion Space to Tenant on or before the date described in the preceding clause (ii) as a result of any holdover or unlawful possession by another party, the Expansion Effective Date shall be the date on which Landlord delivers possession of the Expansion Space to Tenant free from occupancy by any party. Any such delay in the Expansion Effective Date shall not subject Landlord to any liability for any loss or damage resulting therefrom. If the Expansion Effective Date is delayed, the Expiration Date shall not be similarly extended.

1.3. **Confirmation Letter.** At any time after the Expansion Effective Date, Landlord may deliver to Tenant a notice substantially in the form of **Exhibit** C attached hereto, as a [illegible]

2. **Base Rent.** With respect to the Expansion Space during the Expansion Term, the schedule of Base Rent shall be as follows:

Period During Expansion Term	Annual Rate Per Square Foot	Monthly Base Rent
Expansion Effective Date through last day of 12th full calendar month of Expansion Term	$ 47.40	$7,366.75
13th full calendar month of Expansion Term through Expiration Date	$ 48.82	$7,587.44

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended.

3. **Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

4. **Tenant's Share.** With respect to the Expansion Space during the Expansion Term, Tenant's Share shall be 0.5576%.

5. **Expenses and Taxes.** With respect to the Expansion Space during the Expansion Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease.

6. **Improvements to Expansion Space.**

6.1. **Condition and Configuration of Expansion Space.** Tenant acknowledges that it has inspected the Expansion Space and agrees to accept it in its existing condition and configuration (or in such other condition and configuration as any existing tenant of the Expansion Space may cause to exist in accordance with its lease), without any representation by Landlord regarding its condition or configuration and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Amendment.

6.2. **Responsibility for Improvements to Expansion Space.** Any improvements to the Expansion Space performed by Tenant shall be paid for by Tenant and performed in accordance with the terms of the Lease. The parties acknowledge that Tenant is contemplating performing Alterations to the Premises and the Expansion Space in accordance with the preliminary plans attached hereto as **Exhibit B** (the **"Potential Alterations").** To the extent such Potential Alterations are performed in accordance with the terms of the Lease, Landlord acknowledges that such Potential Alterations shown with reasonable specificity on **Exhibit B** hereto shall be considered Building-standard improvements for purposes of Section 8 of the Lease.

7. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

7.1. **Early Entry.** Tenant may enter the Expansion Space before the Expansion Effective Date (but not before the date that Landlord reasonably estimates will occur 30 days before the Expansion Effective Date), solely for the purpose of installing telecommunications and data cabling and installing equipment, furnishings and other personal property in the Expansion Space. Other than the obligation to pay Base Rent and Tenant's Share of any Expense Excess or Tax Excess, all of Tenant's obligations hereunder shall apply during any period of such early entry.

square feet known as Suite 275 on the second floor of the Building shown on the demising plan attached to the Amendment as **Exhibit D.** Tenant's Right of First Offer shall be exercised as follows: At any time after Landlord has determined that a Potential Offering Space has become Available (defined below), but before leasing such Potential Offering Space to a third party, Landlord shall provide Tenant with written notice (the **"Advice")** advising Tenant of the terms under which Landlord is prepared to lease such Potential Offering Space (an **"Offering Space")** to Tenant for the remainder of the Term, which terms shall reflect the Prevailing Market (hereinafter defined) rate for such Offering Space as reasonably determined by Landlord. For purposes hereof, a Potential Offering Space shall be deemed to become **"Available"** as follows: (i) if such Potential Offering Space is not under lease to a third party as of the date of mutual execution and delivery of the Amendment, such Potential Offering Space shall be deemed to become Available when Landlord has located a prospective tenant that may be interested in leasing such Potential Offering Space; and (ii) if such Potential Offering Space is under lease to a third party as of the date of mutual execution and delivery of the Amendment, such Potential Offering Space shall be deemed to become Available when Landlord has determined that the third-party tenant of such Potential Offering Space, and any occupant of such Potential Offering Space claiming under such third-party tenant, will not extend or renew the term of its lease, or enter into a new lease, for such Potential Offering Space. Tenant may lease any Offering Space in its entirety only, under the terms set forth in the Advice, by delivering written notice of exercise to Landlord (the **"Notice of Exercise")** within five (5) days after the date of the Advice.

2. Notwithstanding any contrary provision hereof, Tenant shall have no Right of First Offer, and Landlord shall not be required to provide Tenant with an Advice, with respect to any Potential Offering Space, if:

   a. Tenant is in default under the Lease, as amended, beyond any applicable cure period when Landlord would otherwise deliver the Advice; or

   b. the Premises, or any portion thereof, is sublet when Landlord would otherwise deliver the Advice; or

   c. the Lease, as amended, has been assigned before the date on which Landlord would otherwise deliver the Advice; or

   d. Tenant is not occupying the Premises when Landlord would otherwise deliver the Advice.

B. Terms for Offering Space.

1. The term for the Offering Space shall commence on the commencement date stated in the Advice and thereupon the Offering Space shall be considered a part of the Premises subject to the provisions of the Lease, as amended; provided, however, that the provisions of the Advice shall prevail to the extent they conflict with the provisions of the Lease, as amended.

2. Tenant shall pay Base Rent and Additional Rent for the Offering Space in accordance with provisions of the Advice, which provisions shall reflect the Prevailing Market rate for the Offering Space as determined use reasonable efforts to obtain possession of the Offering Space, and the commencement date of the term for the Offering Space shall be postponed until the date Landlord delivers possession of the Offering Space to Tenant free from occupancy by any party.

C. Termination of Right of First Offer. The rights of Tenant hereunder with respect to any Potential Offering Space shall terminate on the earliest to occur of: (i) December 31, 2012, (ii) Tenant's failure to exercise its Right of First Offer with respect to such Potential Offering Space (or any larger Potential Offering Space containing such Potential Offering Space) within the five (5)-day period provided in Section 7.2.A.1 above, or (iii) the date on which Landlord would have provided Tenant an Advice for such Potential Offering Space if Tenant had not been in violation of one or more of the conditions set forth in Section 7.2.A.2 above. In addition, if (a) Landlord provides Tenant with an Advice for any Offering Space that contains a right of first offer, right of first refusal, expansion option or other expansion right with respect to any other Potential Offering Space, (b) Tenant does not exercise its Right of First Offer to lease such Offering Space pursuant to such Advice, and (c) Landlord grants such expansion right to a third party that leases such Offering Space, then Tenant's Right of First Offer with respect to such other Potential Offering Space shall be subject and subordinate to such expansion right in favor of such third party.

D. Offering Amendment. If Tenant exercises its Right of First Offer, Landlord shall prepare an amendment (the **"Offering Amendment")** adding the Offering Space to the Premises on the terms set forth in the Advice and reflecting the changes in the Base Rent, rentable square footage of the Premises, Tenant's Share and other appropriate terms in accordance with this Section 7.2. A copy of the Offering Amendment shall be sent to Tenant within a reasonable time after Landlord's receipt of the Notice of Exercise executed by Tenant, and Tenant shall execute and return the Offering Amendment to Landlord within 15 days thereafter, but an otherwise valid exercise of the Right of First Offer shall be fully effective whether or not the Offering Amendment is executed.

E. Definition of Prevailing Market. For purposes of this Section 7.2, **"Prevailing Market"** means the annual rental rate per square foot for space comparable to the Offering Space in the Building and office buildings comparable to the Building in the Redwood City, California area under leases and renewal and expansion amendments being entered into at or about the time that Prevailing Market is being determined, giving appropriate consideration to tenant concessions, brokerage commissions, tenant improvement allowances, existing improvements in the space in question, and the method of allocating operating expenses and taxes. Notwithstanding the foregoing, space leased under any of the following circumstances shall not be considered to be comparable for purposes hereof: (i) the lease term is for less than the lease term of the Offering Space; (ii) the space is encumbered by the option rights of another tenant; or (iii) the space has a lack of windows and/or an awkward or unusual shape or configuration. The foregoing is not intended to be an exclusive list of space that will not be considered to be comparable.

F. Subordination. Notwithstanding anything herein to the contrary, Tenant's Right of First Offer is subject and subordinate to the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building existing on the date hereof, including, without limitation, those certain right of first offer rights granted pursuant to that certain lease dated August 3, 2000 by and between Landlord (as Golden State Towers, LLC, a Delaware limited liability company), as landlord, and Weil, Gotshal & Manges LLP, a New York [illegible]

8. **Miscellaneous.**

8.1. This Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Amendment.

8.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

8.3. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

8.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered it to Tenant.

8.5. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

8.6. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Cornish & Carey Commercial) claiming to have represented Tenant in connection with this Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

8.7. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver it on behalf of the party hereto for which such signatory is acting.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President - Leasing

TENANT:

COHERUS BIOSCIENCE, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: DENNIS M. LANFEAR
Title: CHIEF EXECUTIVE OFFICER

EXHIBIT A

OUTLINE AND LOCATION OF EXPANSION SPACE

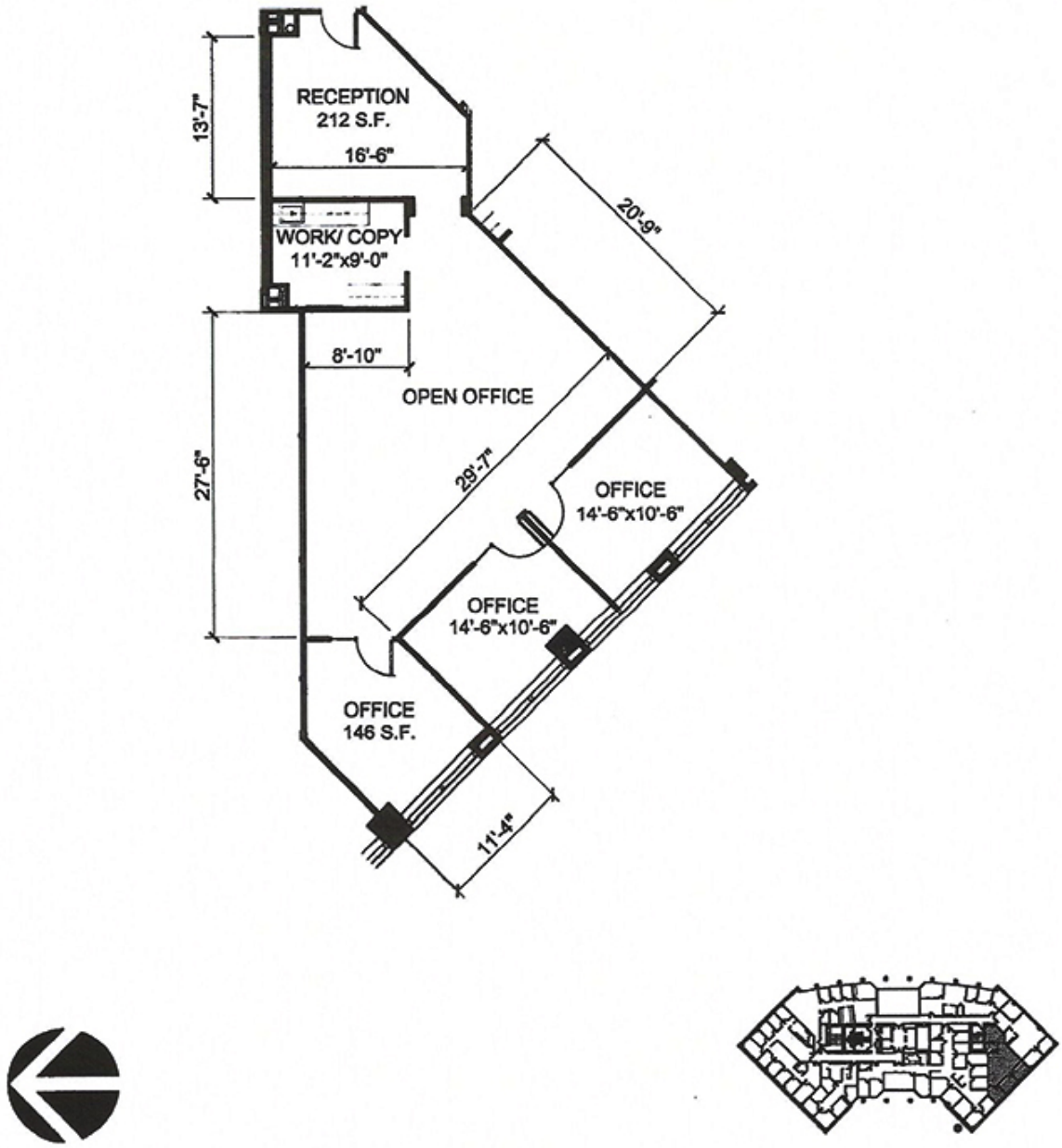


EXHIBIT B

POTENTIAL ALTERATIONS

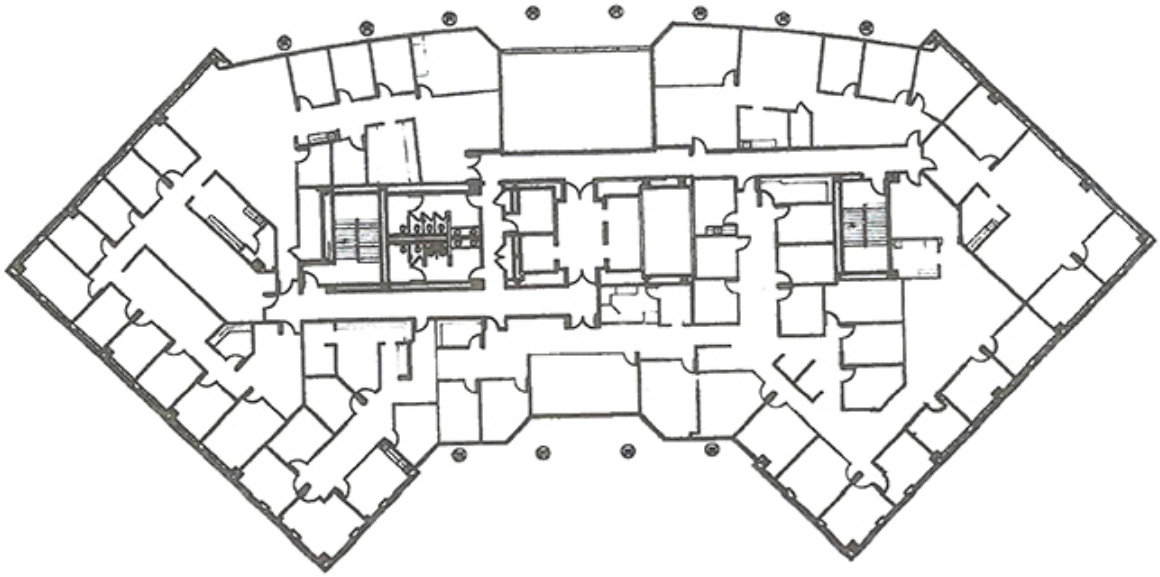


EXHIBIT C

NOTICE OF LEASE TERM DATES

_____, 20__

To: _____
_____
_____
_____

Re: First Amendment (the **"Amendment"),** dated , 20 , to a lease agreement dated September 26, 2011, between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership** ("**Landlord**"), and **COHERUS BIOSCIENCE, INC., a Delaware corporation** ("**Tenant**"), concerning Suite 295 on the second floor of the building located at 201 Redwood Shores Parkway, Redwood City, California (the "**Expansion Space**").

Lease ID: _____

Business Unit Number: _____

Dear _____ :

In accordance with the Amendment, Tenant accepts possession of the Expansion Space and confirms that (a) the Expansion Effective Date is , 20 , and (b) the Expiration Date is September 30, 2013.

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. Please note that, pursuant to Section 1.3 of the Amendment, if Tenant fails to execute and return (or reasonably object in writing to) this letter within five (5) days after receiving it, Tenant shall be deemed to have executed and returned it without exception.

"Landlord":

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

Agreed and Accepted as of , 2012.

"Tenant":

COHERUS BIOSCIENCE, INC., a Delaware

EXHIBIT D

POTENTIAL OFFERING SPACE

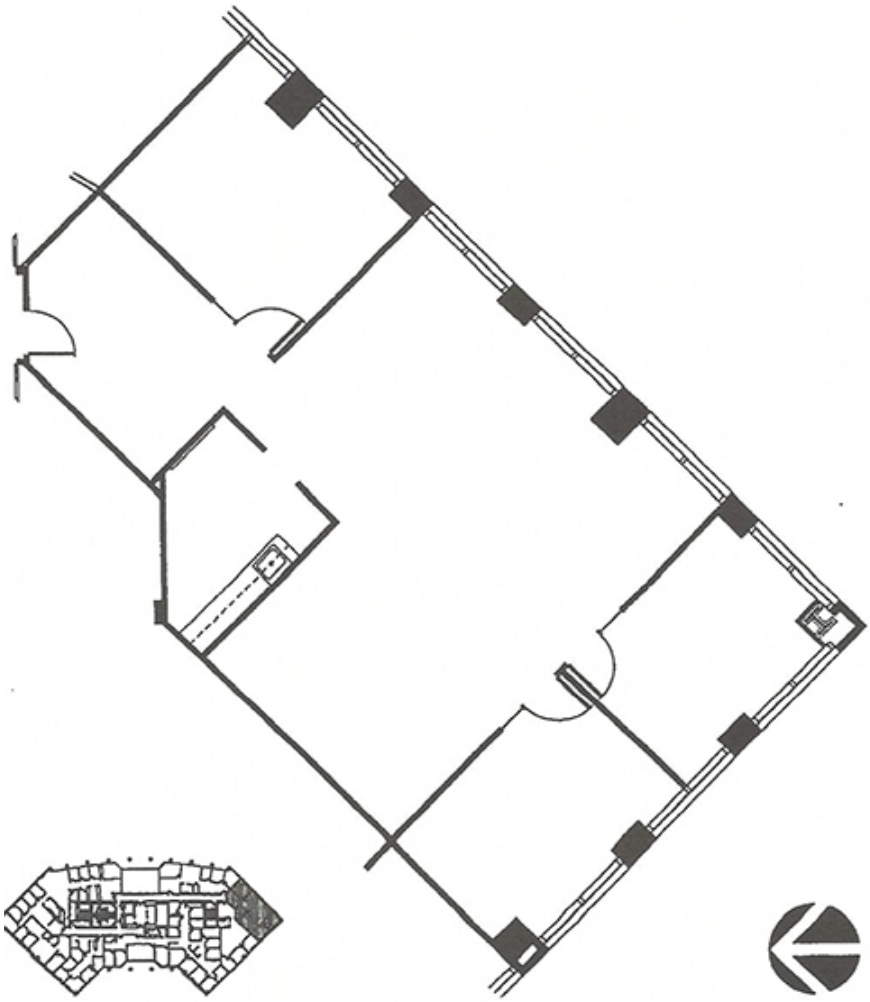


EXHIBIT E

BILL OF SALE

Seller, **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership,** having its principal place of business at 2655 Campus Drive, Suite 100, San Mateo, California, 94403, in consideration of $1.00 and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, does hereby quitclaim and convey to Buyer, **BIOGENERICS, INC., a Delaware corporation,** the personal property described on **Schedule 1** attached hereto (collectively, the **"Personal Property")** located in, or otherwise servicing, Suite 295 located on the second floor of the building commonly known as Towers @ Shores-201 Redwood Shores located at 201 Redwood Shores Parkway, Redwood City, California.

All warranties of title, quality, condition, fitness of use, and merchantability are hereby excluded and Buyer accepts the Personal Property in its "as is "/ ''where is" condition.

This Bill of Sale shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, Buyer and Seller have caused this bill of sale to be signed this 17th day of May, 2012.

SELLER:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President - Leasing

BUYER:

COHERUS BIOSCIENCE, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: DENNIS M. LANFEAR
Title CHIEF EXECUTIVE OFFICER

SCHEDULE 1

LIST OF PERSONAL PROPERTY

This Schedule is attached to and made a part of the Bill of Sale by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership** ("**Seller**") and **COHERUS BIOSCIENCE, INC., a Delaware corporation** ("**Buyer**").

3 – 30 x 65 desks and 42x24 right return wood

1 – 42 x 72 bow front desk and 24x48 left return wood

1 – 30 x 12 x 72 bookcase wood

1 – 30 x 12 x 72 bookcase with low closed storage wood

1 – 36 x 72 desk and 24x60 left return wood

1 – 8 x 42 conference table with grommet

5 – black leather desk chairs (1 is broken)

2 – 19d x 42w x 41h 3D Black metal file cabinets

2 – light green rolling chairs

3 – light green side chairs

2 – wood frame whiteboards

1 – 42" round wood table

1 – 18 x 48 x 30console table (repair table top) no brand/made in china

1 – 20 x20h round black laminate end table

1 – small white Whirlpool refrigerator

Miscellaneous silk plants

SECOND AMENDMENT

THIS SECOND AMENDMENT (this **"Second Amendment")** is made and entered into as of September 11, 2013, by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord"), and COHERUS BIOSCIENCES, INC., a Delaware corporation ("Tenant").**

RECITALS

A. Landlord and Tenant (formerly known as Biogenerics, Inc., a Delaware corporation) are parties to that certain lease dated September 26, 2011, as previously amended by that certain First Amendment entered into as of May 17, 2012 (the **"First Amendment"**) (as amended, the **"Lease"**). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 8,503 rentable square feet (the **"Premises"**) described as Suite Nos. 200 and 295 on the second floor of the building commonly known as Towers @ Shores-201 Redwood Shores located at 201 Redwood Shores Parkway, Redwood City, California (the **"Building"**).

B. The Lease will expire by its terms on September 30, 2013 (the **"Existing Expiration Date"**), and the parties wish to extend the term of the Lease on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** The term of the Lease is hereby extended through September 30, 2016 (the **"Extended Expiration Date"**). The portion of the term of the Lease beginning on the date immediately following the Existing Expiration Date (the **"Extension Date"**) and ending on the Extended Expiration Date shall be referred to herein as the **"Extended Term"**.

2. **Base Rent.** During the Extended Term, the schedule of Base Rent shall be as follows:

Period of Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
10/1/2013 – 9/30/2014	$ 52.20	$ 36,988.05
10/1/2014 – 9/30/2015	$ 53.77	$ 38,100.53
10/1/2015 – 9/30/2016	$ 55.38	$ 39,241.35

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

Notwithstanding the foregoing, so long as no Default exists, Tenant shall be entitled to an abatement of Base Rent, in the amount of $36,988.05 per month, for the first two (2) full calendar months of the Extended Term.

3. **Additional Security Deposit.** No additional security deposit shall be required in connection with this Second Amendment.

4. **Expenses and Taxes.** During the Extended Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that during the Extended Term, the Base Year for Expenses and Taxes shall be 2013.

5. **Improvements to Premises.**

5.1. **Configuration and Condition of Premises.** Tenant acknowledges that it is in possession of the Premises and agrees to accept it "as is" without any representation by Landlord regarding its configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Second Amendment.

5.2. **Responsibility for Improvements to Premises.** Landlord shall perform improvements to the Premises in accordance with the Work Letter attached hereto as **Exhibit A**.

6. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Second Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

6.1 **California Civil Code Section 1938.** Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

6.2 **Confirmation of Expiration of Right of First Offer.** Landlord and Tenant hereby acknowledge and confirm that the Right of First Offer granted to Tenant in Section 7.2 of the First Amendment has expired, is null and void, and is of no further force or effect.

6.3 **Confirmation of Termination of Extension Option.** Landlord and Tenant hereby acknowledge and confirm that the Extension Option granted to Tenant in Section 2 of Exhibit F to the Lease has expired, is null and void, and is of no further force or effect.

6.4 **Clarification of Tenant Name.** The Tenant named in the First Amendment was "Coherus Bioscience, Inc., a Delaware corporation." The undersigned Tenant of this Second Amendment, Coherus Biosciences, Inc., a Delaware corporation, hereby represents and warrants to Landlord that (i) it is the same entity which executed the First Amendment as the tenant thereunder, (ii) the tenant named under such document was incorrectly named merely due to a typographical error and the undersigned Tenant is not aware of any entity named or known as Coherus Bioscience, Inc., a Delaware corporation, (iii) there are no other parties which may claim any interest of the tenant under the Lease, and (iv) the undersigned is fully obligated under the Lease effective as of the date of such document. The undersigned Tenant, Coherus Biosciences, Inc. agrees to indemnify and hold harmless Landlord and the Landlord Parties from and against all loss, damage, liability, and costs (including attorneys fees and court costs) which Landlord or the Landlord Parties may incur as a result of a breach of the foregoing representation and warranty.

6.5 **California Civil Code Section 25402.10.** If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Building, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required to disclose to a prospective buyer, tenant or mortgage lender under California Public Resources Code § 25402.10 or any similar law.

7. **Miscellaneous.**

7.1. This Second Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Second Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Second Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Second Amendment.

7.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

7.3. In the case of any inconsistency between the provisions of the Lease and this Second Amendment, the provisions of this Second Amendment shall govern and control.

7.4. Submission of this Second Amendment by Landlord is not an offer to enter into this Second Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Second Amendment until Landlord has executed and delivered it to Tenant.

7.5. Capitalized terms used but not defined in this Second Amendment shall have the meanings given in the Lease.

7.6. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Cornish & Carey Commercial) claiming to have represented Tenant in connection with this Second Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Second Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Second Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

7.7. If Tenant has any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) that was granted to Tenant under the Lease (as determined without giving effect to this Second Amendment) and that, by virtue of this Second Amendment, will continue in effect during the Extended Term, then, from and after the Extension Date, such expansion right shall be subject and subordinate to any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or Related Buildings existing on the date of mutual execution and delivery hereof.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Second Amendment as of the day and year first above written.

LANDLORD:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP OWNER GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President – Leasing

TENANT:

COHERUS BIOSCIENCES, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President and Chief Executive Officer

EXHIBIT A

WORK LETTER

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

As used in this **Exhibit A** (this "**Work Letter**"), the following terms shall have the following meanings: "**Agreement**" means the Second Amendment of which this Work Letter is a part. "**Premises**" means the Premises as defined in the Lease, as amended. "**Tenant Improvements**" means all improvements to be constructed in the Premises pursuant to this Work Letter. "**Tenant Improvement Work**" means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Sections 2.7.3 and 3.2.2 below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 ARCHITECTURAL PLANS.

2.1 **Selection of Architect.** Landlord shall retain the architect/space planner of Landlord's choice (the "**Architect**") to prepare the Architectural Drawings (defined in Section 2.5 below).

2.2 [Intentionally Omitted.]

2.3 **Space Plan.** Landlord and Tenant acknowledge that there is a space plan for the Premises dated June 19, 2013, prepared by ID/Architecture (the "**Approved Space Plan**"). All materials and finishes contemplated by the Approved Space Plan shall be deemed to be Building-standard unless otherwise expressly provided therein.

2.4 **Additional Programming Information.** Tenant shall deliver to Landlord, in writing, all information (including all interior and special finishes) that, together with the Approved Space Plan, is necessary to complete the Architectural Drawings, together with all information (including all electrical requirements, telephone requirements, special HVAC requirements, and plumbing requirements) that, when combined with the Architectural Drawings, will be necessary to complete the Engineering Drawings (collectively, the "**Additional Programming Information**"). The Additional Programming Information shall not increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord) and shall be (a) consistent with the Approved Space Plan, (b) consistent with Landlord's requirements for avoiding aesthetic, engineering or other conflicts with the design and function of the balance of the Building (collectively, the "**Landlord Requirements**"), and (c) otherwise subject to Landlord's reasonable approval. Landlord shall provide Tenant with notice approving or reasonably disapproving the Additional Programming Information within five (5) business days after the later of Landlord's receipt thereof or the mutual execution and delivery of this Agreement. If Landlord disapproves the Additional Programming Information, Landlord's notice of disapproval shall describe with reasonable specificity the basis for such disapproval and Tenant shall modify the Additional Programming Information and resubmit it for Landlord's approval. Such procedure shall be repeated as necessary until Landlord has approved the Additional Programming Information. Such approved Additional Programming Information shall be referred to herein as the "**Approved Additional Programming Information.**" If requested by Tenant, Landlord, in its sole and absolute discretion, may assist Tenant, or cause the Architect and/or other contractors or consultants of Landlord to assist Tenant, in preparing all or a portion of the Additional Programming Information; provided, however, that, whether or not the Additional Programming Information is prepared with such assistance, Tenant shall be solely responsible for the timely preparation and delivery of the Additional Programming Information and for all elements thereof.

2.5 **Architectural Drawings.** After approving the Additional Programming Information, Landlord shall cause the Architect to prepare and deliver to Tenant the final architectural (and, if applicable, structural) working drawings for the Tenant Improvement Work that are in a form that (a) when combined with any Approved Additional Programming Information that is not expressly incorporated into such working drawings, will be sufficient to enable the Contractor and its subcontractors to bid on the work and prepare the Engineering Drawings, and (b) when accompanied by any Engineering Drawings that satisfy the Engineering Requirements (defined in Section 3.2.1 below), will be sufficient to obtain the Permits (defined in Section 3.2.3 below) (the "**Architectural Drawings**"). The Architectural Drawings shall conform to the Approved Space Plan and the Approved Additional Programming Information. The Architect's preparation and delivery of the Architectural Drawings shall

occur within 15 business days after the later of Landlord's approval of the Additional Programming Information or the mutual execution and delivery of this Agreement. Tenant shall approve or disapprove the Architectural Drawings by notice to Landlord. If Tenant disapproves the Architectural Drawings, Tenant's notice of disapproval shall specify any revisions Tenant desires in the Architectural Drawings. After receiving such notice of disapproval, Landlord shall cause the Architect to revise the Architectural Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to cause the Architect to make any revision to the Architectural Drawings that (a) would increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord), (b) conflicts with the Approved Space Plan or the Landlord Requirements, or (c) is otherwise reasonably disapproved by Landlord. Such revision and resubmission shall occur within five *(5)* business days after the later of Landlord's receipt of Tenant's notice of disapproval or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such mutual execution and delivery) if such revision is material. Such procedure shall be repeated as necessary until Tenant has approved the Architectural Drawings. Such approved Architectural Drawings shall be referred to herein as the "**Approved Architectural Drawings.**" Landlord and Tenant acknowledge that, as of the date of mutual execution and delivery of this Agreement, Landlord has previously delivered to Tenant, and Tenant is reviewing but has not yet approved, the Architectural Drawings dated June 19, 2013, prepared by ID/Architecture, as required under this Section 2.5.

2.6 [Intentionally Omitted.]

2.7 **Revisions to Approved Architectural Drawings or Approved Additional Programming Information.**

2.7.1 **Approved Architectural Drawings.** If Tenant requests any revision to the Approved Architectural Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Architectural Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Architectural Drawings within two (2) business days after receiving Landlord's request for approval thereof. For purposes hereof, any change order affecting the Approved Architectural Drawings shall be deemed a revision to the Approved Architectural Drawings.

2.7.2 **Approved Additional Programming Information.** If Tenant requests Landlord's approval of any revision to the Approved Additional Programming Information, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Additional Programming Information without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Additional Programming Information within two (2) business days after receiving Landlord's request for approval thereof.

2.7.3 **Costs of Revisions.** Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Space Plan or Approved Architectural Drawings requested by Tenant or any revision to the Approved Additional Programming Information made by Tenant, including, in each case, any cost of preparing or reviewing such revision.

2.8 **Tenant's Approval Deadline.** Tenant shall approve the Architectural Drawings pursuant to Section 2.5 above on or before Tenant's Approval Deadline (defined below). As used in this Work Letter, "**Tenant's Approval Deadline**" means the date occurring two (2) weeks after the mutual execution and delivery of this Agreement; provided, however, that Tenant's Approval Deadline shall be extended by one (1) day for each day, if any, by which Tenant's approval of the Approved Space Plan and Architectural Drawings pursuant to Section 2.5 above is delayed by any failure of Landlord to perform its obligations under this Section 2.

3 CONSTRUCTION.

3.1 **Contractor.** Landlord shall retain a contractor of its choice (the "**Contractor**") to (a) prepare the engineering working drawings relating to the mechanical, electrical, plumbing, fire-alarm and fire sprinkler work in the Premises (the "**Engineering Drawings**"), and (b) perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the preparation of the Engineering Drawings or the performance of the Tenant Improvement Work.

3.2 **Engineering Drawings.**

3.2.1 **Preparation.** Within 10 business days after the later of Tenant's approval of the Architectural Drawings pursuant to Section 2.5 above or the mutual execution and delivery of this Agreement, Landlord shall cause the Contractor to prepare and deliver to Tenant Engineering Drawings that conform to the Approved Architectural Drawings, the Approved Additional Programming Information, and the first sentence of Section 4 below (collectively, the "**Engineering Requirements**"). Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), the Engineering Drawings within two (2) business days after receiving them. After receiving any such notice of reasonable disapproval, Landlord shall cause the Contractor to revise the Engineering Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to make any revision to the Engineering Drawings that conflicts with the Engineering Requirements or the Landlord Requirements or is otherwise reasonably disapproved by Landlord. Such procedure shall be repeated as necessary until Tenant has reasonably approved the Engineering Drawings. Such approved Engineering Drawings shall be referred to herein as the "**Approved Engineering Drawings**".

3.2.2 **Revisions.** If Tenant requests any revision to the Approved Engineering Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 10 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Engineering Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Engineering Drawings within two (2) business days after receiving Landlord's request for approval thereof. Any change order affecting the Approved Engineering Drawings shall be deemed a revision to the Approved Engineering Drawings. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Engineering Drawings requested by Tenant, including the cost of preparing such revision.

3.2.3 **Permits.** After the Architectural Drawings and the Engineering Drawings have been approved by Landlord and Tenant, Landlord shall cause the Contractor to submit the Approved Architectural Drawings and the Approved Engineering Drawings (collectively, the "**Approved Construction Drawings**") to the appropriate municipal authorities and otherwise apply for and obtain from such authorities all permits necessary for the Contractor to complete the Tenant Improvement Work (the **"Permits"**). Tenant shall cooperate with Landlord and the Contractor to enable the Contractor to obtain the Permits as soon as possible.

3.3 **Construction.**

3.3.1 **Performance of Tenant Improvement Work.** Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Approved Construction Drawings.

3.3.2 **Contractor's Warranties.** Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after "substantial completion" of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall, at its option, either (a) assign to Tenant any right Landlord may have under the

Construction Contract (defined below) to require the Contractor to correct, or pay for the correction of, such defect, or (b) at Tenant's expense, use reasonable efforts to enforce such right directly against the Contractor for Tenant's benefit. As used in this Work Letter, "**Construction Contract**" means the construction contract between Landlord and the Contractor pursuant to which the Tenant Improvements will be constructed.

4 COMPLIANCE WITH LAW; SUITABILITY FOR TENANT'S USE. Landlord shall (a) cause the Architectural Drawings and the Engineering Drawings, other than any Tenant Revision (defined below), to comply with Law, and (b) cause the Architect or the Contractor, as applicable, to use the Required Level of Care (defined below) to cause any Tenant Revision to comply with Law; **provided**, however, that Landlord shall not be responsible for any violation of Law resulting from any particular use of the Premises (as distinguished from general office use). As used herein, "**Tenant Revision**" means any revision to the Approved Space Plan or the Approved Construction Drawings made or requested by Tenant. As used herein, "**Required Level of Care**" means the level of care that reputable architects and engineers customarily use to cause architectural and engineering plans, drawings and specifications to comply with Law where such plans, drawings and specifications are prepared for spaces in buildings comparable in quality to the Building. Except as provided above in this Section 4, Tenant shall be responsible for ensuring that the Approved Space Plan, the Additional Programming Information, the Architectural Drawings and the Engineering Drawings (collectively, the "**Plans**") are suitable for Tenant's use of the Premises and comply with Law, and neither the preparation of any of the Plans by the Architect or the Contractor nor Landlord's approval of the Plans shall relieve Tenant from such responsibility. To the extent that either party (the "**Responsible Party**") is responsible under this Section 4 for causing the Plans to comply with Law, the Responsible Party may contest any alleged violation of Law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by Law, and exercising any right of appeal (provided that the other party incurs no liability as a result of such contest and that, after completing such contest, the Responsible Party makes any modification to the Plans or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 COMPLETION. Tenant acknowledges and agrees that the Tenant Improvement Work may be performed during normal business hours before or after the Extension Date. Landlord and Tenant shall cooperate with each other in order to enable the Tenant Improvement Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding any contrary provision of this Agreement, any delay in the completion of the Tenant Improvement Work or inconvenience suffered by Tenant during the performance of the Tenant Improvement Work shall not delay the Extension Date, nor shall it subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease. Notwithstanding any contrary provision of this Agreement, if, as a result of Tenant's breach of this Section 5 or Section 2.8 above, the Tenant Improvement Work or any portion thereof is not completed by December 31, 2013, Landlord shall have no further obligation to perform or pay for such Tenant Improvement Work. As used in this Work Letter, "substantial completion" shall mean the completion of the Tenant Improvement Work pursuant to the Approved Architectural Drawings and Engineering Drawings (as reasonably determined by Landlord), with the exception of any details of construction, mechanical adjustment or any other similar matter the non-completion of which does not materially interfere with Tenant's use of the Premises.

6 MISCELLANEOUS. Notwithstanding any contrary provision of this Agreement, if Tenant defaults under this Agreement or the Lease before the Tenant Improvement Work is completed, Landlord's obligations under this Work Letter shall be excused until such default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Work Letter shall not apply to any space other than the Premises.

THIRD AMENDMENT

THIS THIRD AMENDMENT (this "**Amendment**") is made and entered into as of February 4, 2014, by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP**, **a Delaware limited partnership ("Landlord")**, and **COHERUS BIOSCIENCES, INC**., **a Delaware corporation ("Tenant").**

RECITALS

A. Landlord and Tenant (formerly known as Biogenerics, Inc., a Delaware corporation) are parties to that certain lease dated September 26, 2011, as previously amended by that certain First Amendment entered into as of May 17, 2012 and that certain Second Amendment **(**"**Second Amendment**"**)** dated September 11, 2013 (as amended, the "**Lease**"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **8,503** rentable square feet (the "**Current Premises**") described as Suite 200 consisting of approximately 6,638 rentable square feet on the second floor of the building commonly known as Towers @ Shores-201 Redwood Shores located at 201 Redwood Shores Parkway, Redwood City, California (the "**Building**") and Suite 295 consisting of approximately 1,865 rentable square feet on the second floor of the Building.

B. The parties wish to expand the Premises (defined in the Lease) to include additional space, containing approximately **2,057** rentable square feet described as Suite 275 on the second floor of the Building and shown on **Exhibit A** attached hereto (the "**Suite 275 Expansion Space**"), on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Suite 275 Expansion.**

1.1. **Effect of Suite 275 Expansion.** Effective as of the Suite 275 Expansion Effective Date (defined in Section 1.2 below), the Current Premises shall be increased from 8,503 rentable square feet on the second floor to **10,560** rentable square feet on the second floor by the addition of the Suite 275 Expansion Space, and, from and after the Suite 275 Expansion Effective Date, the Current Premises and the Suite 275 Expansion Space shall collectively be deemed the Premises. The term of the Lease for the Suite 275 Expansion Space (the "**Suite 275 Expansion Term**") shall commence on the Suite 275 Expansion Effective Date and, unless sooner terminated in accordance with the Lease, end on the Extended Expiration Date (which the parties acknowledge is September 30, 2016). From and after the Suite 275 Expansion Effective Date, the Suite 275 Expansion Space shall be subject to all the terms and conditions of the Lease except as provided herein. Except as may be expressly provided herein, (a) Tenant shall not be entitled to receive, with respect to the Suite 275 Expansion Space, any allowance, free rent or other financial concession granted with respect to the Current Premises, and (b) no representation or warranty made by Landlord with respect to the Current Premises shall apply to the Suite 275 Expansion Space.

1.2. **Suite 275 Expansion Effective Date.** As used herein, "**Suite 275 Expansion Effective Date**" means the earlier of (i) the date on which Tenant first conducts business in the Suite 275 Expansion Space, or (ii) the date on which the Tenant Improvement Work (defined in **Exhibit B** attached hereto) is Substantially Complete (defined in **Exhibit B** attached hereto), which is anticipated to be March 1, 2014 (the "**Target Suite 275 Expansion Effective Date**"). The adjustment of the Suite 275 Expansion Effective Date and, accordingly, the postponement of Tenant's obligation to pay rent for the Suite 275 Expansion Space shall be Tenant's sole remedy if the Tenant Improvement Work is not Substantially Complete on the Target Suite 275 Expansion Effective Date. If the Suite 275 Expansion Effective Date is delayed, the Extended Expiration Date shall not be similarly extended.

1.3. **Confirmation Letter.** At any time after the Suite 275 Expansion Effective Date, Landlord may deliver to Tenant a notice substantially in the form of **Exhibit C** attached hereto, as a confirmation of the information set forth therein. Tenant shall execute and return (or, by written notice to Landlord, reasonably object to) such notice within five (5) business days after receiving it.

2. **Base Rent.** With respect to the Suite 275 Expansion Space during the Suite 275 Expansion Term, the schedule of Base Rent shall be as follows:

Period During Suite 275 Expansion Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
Suite 275 Expansion Effective Date through last day of 7th full calendar month of Suite 275 Expansion Term	$ 54.00	$9,256.50
8th through 19th full calendar months of Suite 275 Expansion Term	$ 55.62	$9,534.20
20th full calendar month of Suite 275 Expansion Term through last day of Suite 275 Expansion Term	$ 57.29	$9,820.46

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended.

3. **Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

4. **Tenant's Share.** With respect to the Suite 275 Expansion Space during the Suite 275 Expansion Term, Tenant's Share shall be 0.6150%.

5. **Expenses and Taxes.** With respect to the Suite 275 Expansion Space during the Suite 275 Expansion Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that, with respect to the Suite 275 Expansion Space during the Suite 275 Expansion Term, the Base Year for Expenses and Taxes shall be 2014.

6. **Improvements to Suite 275 Expansion Space.**

6.1. **Configuration and Condition of Suite 275 Expansion Space.** Tenant acknowledges that it has inspected the Suite 275 Expansion Space and agrees to accept it in its existing configuration and condition (or in such other configuration and condition as any existing tenant of the Suite 275 Expansion Space may cause to exist in accordance with its lease), without any representation by Landlord regarding its configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Amendment.

6.2. **Responsibility for Improvements to the Current Premises and the Suite 275 Expansion Space.** Landlord shall perform improvements to the Current Premises and to the Suite 275 Expansion Space in accordance with **Exhibit B** attached hereto. Notwithstanding any provision herein to the contrary, upon the mutual execution and delivery of this Amendment, Tenant shall deliver to Landlord an amount equal to $50,162.00 **("Tenant's Contribution")**, which Landlord shall apply towards the cost of the Tenant Improvement Work.

7. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

7.1. **Deletions.** Section 5.2 and Exhibit A of the Second Amendment are hereby deleted in their entirety and are of no further force or effect.

7.2. **Early Access to Suite 275 Expansion Space.** Tenant may enter the Suite 275 Expansion Space (i) after installation of the ceiling grid in the Suite 275 Expansion Space and before the Suite 275 Expansion Effective Date, solely for the purpose of installing telecommunications and data cabling in the Suite 275 Expansion Space, and (ii) after installation of the carpeting in the Suite 275 Expansion Space and before the Suite 275

Expansion Effective Date, solely for the purpose of installing equipment, furnishings and other personal property in the Suite 275 Expansion Space. Other than the obligation to pay Base Rent and Tenant's Share of Expenses and Taxes with respect to the Suite 275 Expansion Space, all of Tenant's obligations hereunder shall apply during any period of such early entry. Notwithstanding the foregoing, Landlord may limit, suspend or terminate Tenant's rights to enter the Suite 275 Expansion Space pursuant to this Section 7.2 if Landlord reasonably determines that such entry is endangering individuals working in the Suite 275 Expansion Space or is delaying completion of the Tenant Improvement Work (defined in **Exhibit B)**.

7.3 **Parking**. Effective as of the Suite 275 Expansion Effective Date, the reference to "Twenty-two (22) unreserved parking spaces" set forth in Section 1.9 of the Lease is hereby amended and restated as "Thirty-five (35) unreserved parking spaces".

8. **Miscellaneous.**

8.1. This Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Amendment.

8.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

8.3. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

8.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered it to Tenant.

8.5. Capitalized terms used but not defined in this Amendment shall have the meanings given in the Lease.

8.6. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Cornish & Carey Commercial) claiming to have represented Tenant in connection with this Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

8.7. If Tenant has any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) that was granted to Tenant under the Lease (as determined without giving effect to this Amendment) and that, by virtue of this Amendment, will apply to space different from or in addition to the space to which such expansion right previously applied, then, as applied to such different or additional space, such expansion right shall be subject and subordinate to any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or Project existing on the date of mutual execution and delivery hereof.

[SIGNATURES ARE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ John C. Moe
Name: John C. Moe
Title: Market Managing Director

TENANT:

COHERUS BIOSCIENCES, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President & CEO

EXHIBIT A

OUTLINE AND LOCATION OF SUITE 275 EXPANSION SPACE

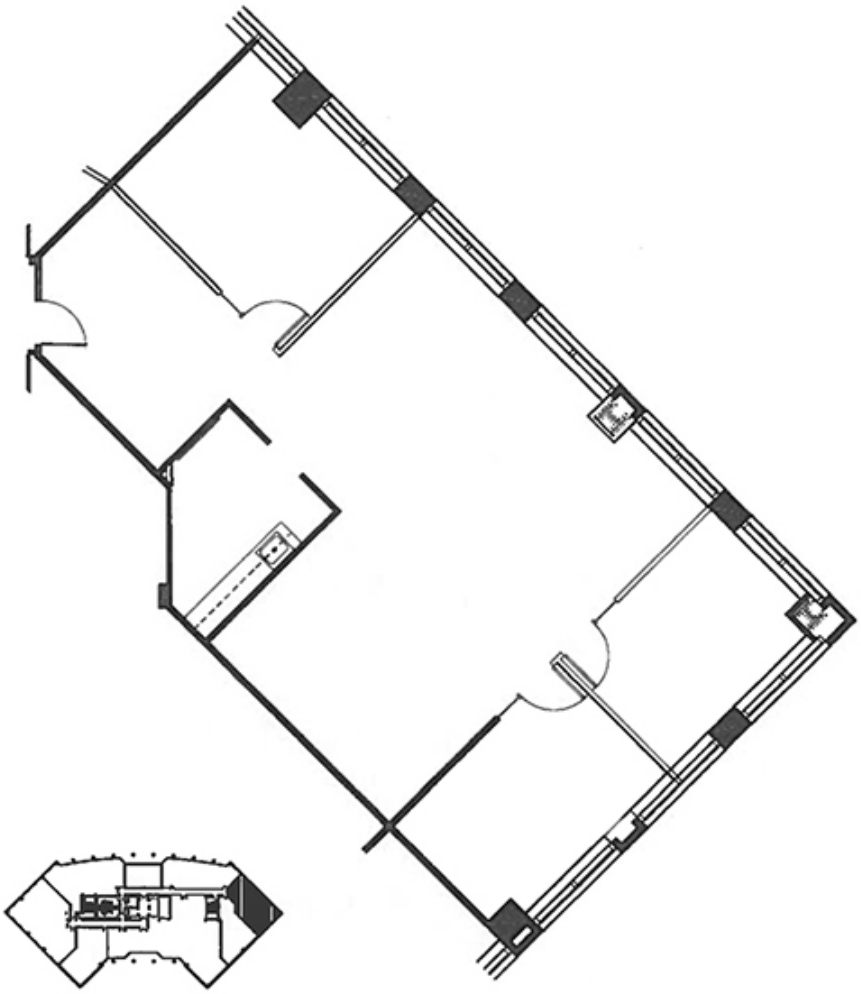


EXHIBIT B

SUITE 275 EXPANSION WORK LETTER

As used in this **Exhibit B** (this "**Suite 275 Expansion Work Letter**"**),** the following terms shall have the following meanings: "**Agreement**" means the amendment of which this Suite 275 Expansion Work Letter is a part. "**Premises**" means the Current Premises and the Suite 275 Expansion Space. For purposes of this **Exhibit B, "Tenant Improvements"** means all improvements to be constructed in the Premises pursuant to this Suite 275 Expansion Work Letter. For purposes of this **Exhibit B,** "**Tenant Improvement Work**" means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Sections 2.7.3 and 3.2.2 below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 ARCHITECTURAL PLANS.

2.1 **Selection of Architect**. Landlord shall retain the architect/space planner of Landlord's choice (for purposes of this **Exhibit B**, the "**Architect**") to prepare the Architectural Drawings (defined in Section 2.5 below).

2.2 [Intentionally Omitted.]

2.3 **Space Plan**. Landlord and Tenant acknowledge that they have approved the space plan for the Premises dated October 31, 2013 prepared by ID/Architecture (for purposes of this **Exhibit B**, the "**Approved Space Plan**"). All materials and finishes contemplated by the Approved Space Plan shall be deemed to be Building-standard unless otherwise expressly provided therein.

2.4 **Additional Programming Information**. Tenant shall deliver to Landlord, in writing, all information (including all interior and special finishes) that, together with the Approved Space Plan, is necessary to complete the Architectural Drawings, together with all information (including all electrical requirements, telephone requirements, special HVAC requirements, and plumbing requirements) that, when combined with the Architectural Drawings, will be necessary to complete the Engineering Drawings (for purposes of this **Exhibit B**, collectively, the "**Additional Programming Information**"). The Additional Programming Information shall not increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord) and shall be (a) consistent with the Approved Space Plan, (b) consistent with Landlord's requirements for avoiding aesthetic, engineering or other conflicts with the design and function of the balance of the Building (for purposes of this **Exhibit B**, collectively, the "**Landlord Requirements**"), and (c) otherwise subject to Landlord's reasonable approval. Landlord shall provide Tenant with notice approving or reasonably disapproving the Additional Programming Information within five (5) business days after the later of Landlord's receipt thereof or the mutual execution and delivery of this Agreement. If Landlord disapproves the Additional Programming Information, Landlord's notice of disapproval shall describe with reasonable specificity the basis for such disapproval and Tenant shall modify the Additional Programming Information and resubmit it for Landlord's approval. Such procedure shall be repeated as necessary until Landlord has approved the Additional Programming Information. Such approved Additional Programming Information shall be referred to herein as the "**Approved Additional Programming Information**." If requested by Tenant, Landlord, in its sole and absolute discretion, may assist Tenant, or cause the Architect and/or other contractors or consultants of Landlord to assist Tenant, in preparing all or a portion of the Additional Programming Information; provided, however, that, whether or not the Additional Programming Information is prepared with such assistance, Tenant shall be solely responsible for the timely preparation and delivery of the Additional Programming Information and for all elements thereof.

2.5 **Architectural Drawings**. After approving the Additional Programming Information, Landlord shall cause the Architect to prepare and deliver to Tenant the final architectural (and, if applicable, structural) working drawings for the Tenant Improvement Work that are in a form that (a) when combined with any Approved Additional Programming Information that is not expressly incorporated into such working drawings, will be sufficient to enable the Contractor and its subcontractors to bid on the work and prepare the Engineering Drawings, and (b) when accompanied by any Engineering Drawings that satisfy the Engineering Requirements (defined in Section 3.2.1 below), will be sufficient to obtain the Permits (defined in Section 3.2.3 below) (for purposes of this **Exhibit B**, the "**Architectural Drawings**"). The Architectural Drawings shall conform to the Approved Space Plan and the Approved Additional Programming Information. The Architect's preparation and delivery of the Architectural Drawings shall occur within 15 business days after the later of Landlord's approval of the Additional Programming Information or the mutual execution and delivery of this Agreement. Tenant shall approve or disapprove the Architectural Drawings by notice to Landlord. If Tenant disapproves the

Architectural Drawings, Tenant's notice of disapproval shall specify any revisions Tenant desires in the Architectural Drawings. After receiving such notice of disapproval, Landlord shall cause the Architect to revise the Architectural Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to cause the Architect to make any revision to the Architectural Drawings that (a) would increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord), (b) conflicts with the Approved Space Plan or the Landlord Requirements, or (c) is otherwise reasonably disapproved by Landlord. Such revision and resubmission shall occur within five (5) business days after the later of Landlord's receipt of Tenant's notice of disapproval or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such mutual execution and delivery) if such revision is material. Such procedure shall be repeated as necessary until Tenant has approved the Architectural Drawings. Such approved Architectural Drawings shall be referred to herein as the "**Approved Architectural Drawings**."

2.6 [Intentionally Omitted.]

2.7 **Revisions to Approved Architectural Drawings or Approved Additional Programming Information.**

2.7.1 **Approved Architectural Drawings**. If Tenant requests any revision to the Approved Architectural Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Architectural Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Architectural Drawings within two (2) business days after receiving Landlord's request for approval thereof. For purposes hereof, any change order affecting the Approved Architectural Drawings shall be deemed a revision to the Approved Architectural Drawings.

2.7.2 **Approved Additional Programming Information**. If Tenant requests Landlord's approval of any revision to the Approved Additional Programming Information, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Additional Programming Information without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Additional Programming Information within two (2) business days after receiving Landlord's request for approval thereof.

2.7.3 **Costs of Revisions**. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Architectural Drawings requested by Tenant or any revision to the Approved Additional Programming Information made by Tenant, including, in each case, any cost of preparing or reviewing such revision. Such reimbursement shall be in addition to the Tenant's Contribution.

2.8 **Tenant's Approval Deadline.** Tenant shall approve the Architectural Drawings pursuant to Section 2.5 above on or before Tenant's Approval Deadline (defined below). As used in this Suite 275 Expansion Work Letter, "**Tenant's Approval Deadline**" means 27 business days after the mutual execution and delivery of this Agreement; provided, however, that Tenant's Approval Deadline shall be extended by one (1) day for each day, if any, by which Tenant's approval of the Architectural Drawings pursuant to Section 2.5 above is delayed by any failure of Landlord to perform its obligations under this Section 2.

3 CONSTRUCTION.

3.1 **Contractor**. Landlord shall retain a contractor of its choice (for purposes of this **Exhibit B,** the "**Contractor**") to (a) prepare the engineering working drawings relating to the mechanical, electrical, plumbing, fire-alarm and fire sprinkler work in the Premises (for purposes of this **Exhibit B,** the "**Engineering Drawings**"), and (b) perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the preparation of the Engineering Drawings or the performance of the Tenant Improvement Work.

3.2 **Engineering Drawings**.

3.2.1 **Preparation**. Within 10 business days after the later of Tenant's approval of the Architectural Drawings pursuant to Section 2.5 above or the mutual execution and delivery of this Agreement, Landlord shall cause the Contractor to prepare and deliver to Tenant Engineering Drawings that conform to the Approved Architectural Drawings, the Approved Additional Programming Information, and the first sentence of Section 4 below (for purposes of this **Exhibit B**, collectively, the "**Engineering Requirements**"). Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), the Engineering Drawings within two (2) business days after receiving them. After receiving any such notice of reasonable disapproval, Landlord shall cause the Contractor to revise the Engineering Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to make any revision to the Engineering Drawings that conflicts with the Engineering Requirements or the Landlord Requirements or is otherwise reasonably disapproved by Landlord. Such procedure shall be repeated as necessary until Tenant has reasonably approved the Engineering Drawings. Such approved Engineering Drawings shall be referred to herein as the "**Approved Engineering Drawings**".

3.2.2 **Revisions**. If Tenant requests any revision to the Approved Engineering Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 10 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Engineering Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Engineering Drawings within two (2) business days after receiving Landlord's request for approval thereof. Any change order affecting the Approved Engineering Drawings shall be deemed a revision to the Approved Engineering Drawings. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Engineering Drawings requested by Tenant, including the cost of preparing such revision. Such reimbursement shall be in addition to the Tenant's Contribution.

3.2.3 **Permits**. After the Architectural Drawings and the Engineering Drawings have been approved by Landlord and Tenant, Landlord shall cause the Contractor to submit the Approved Architectural Drawings and the Approved Engineering Drawings (for purposes of this **Exhibit B**, collectively, the "**Approved Construction Drawings")** to the appropriate municipal authorities and otherwise apply for and obtain from such authorities all permits necessary for the Contractor to complete the Tenant Improvement Work (for purposes of this **Exhibit B,** the **"Permits"**). Tenant shall cooperate with Landlord and the Contractor to enable the Contractor to obtain the Permits as soon as possible.

3.3 **Construction**.

3.3.1 **Performance of Tenant Improvement Work**. Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Approved Construction Drawings.

3.3.2 **Contractor's Warranties**. Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after Substantial Completion (defined in Section 5 below) of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after Substantial Completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall, at its option, either (a) assign to Tenant any right

Landlord may have under the Construction Contract (defined below) to require the Contractor to correct, or pay for the correction of, such defect, or (b) at Tenant's expense, use reasonable efforts to enforce such right directly against the Contractor for Tenant's benefit. As used in this Suite 275 Expansion Work Letter, "**Construction Contract**" means the construction contract between Landlord and the Contractor pursuant to which the Tenant Improvements will be constructed.

4 COMPLIANCE WITH LAW; SUITABILITY FOR TENANT'S USE. Landlord shall (a) cause the Architectural Drawings and the Engineering Drawings, other than any Tenant Revision (defined below), to comply with Law, and (b) cause the Architect or the Contractor, as applicable, to use the Required Level of Care (defined below) to cause any Tenant Revision to comply with Law; provided, however, that Landlord shall not be responsible for any violation of Law resulting from any particular use of the Premises (as distinguished from general office use). As used herein, "**Tenant Revision**" means any revision to the Approved Space Plan or the Approved Construction Drawings made or requested by Tenant. As used herein, "**Required Level of Care**" means the level of care that reputable architects and engineers customarily use to cause architectural and engineering plans, drawings and specifications to comply with Law where such plans, drawings and specifications are prepared for spaces in buildings comparable in quality to the Building. Except as provided above in this Section 4, Tenant shall be responsible for ensuring that the Approved Space Plan, the Additional Programming Information, the Architectural Drawings and the Engineering Drawings (for purposes of this **Exhibit B**, collectively, the "**Plans**") are suitable for Tenant's use of the Premises and comply with Law, and neither the preparation of any of the Plans by the Architect or the Contractor nor Landlord's approval of the Plans shall relieve Tenant from such responsibility. To the extent that either party (for purposes of this **Exhibit B,** the "**Responsible Party**") is responsible under this Section 4 for causing the Plans to comply with Law, the Responsible Party may contest any alleged violation of Law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by Law, and exercising any right of appeal (provided that the other party incurs no liability as a result of such contest and that, after completing such contest, the Responsible Party makes any modification to the Plans or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 COMPLETION.

5.1 **Substantial Completion**. For purposes of Section 1.2 of this Agreement, and subject to Section 5.2 below, the Tenant Improvement Work shall be deemed to be "**Substantially Complete**" upon the completion of the Tenant Improvement Work in the Current Premises and in the Suite 275 Expansion Space pursuant to the Approved Construction Drawings (as reasonably determined by Landlord), with the exception of any details of construction, mechanical adjustment or any other similar matter the non-completion of which does not materially interfere with Tenant's use of the Current Premises and the Suite 275 Expansion Space.

5.2 **Tenant Delay**. Tenant shall use its best efforts to cooperate with Landlord, the Architect, the Contractor, and Landlord's other consultants to complete all phases of the Plans and obtain the Permits as soon as possible, and Tenant shall meet with Landlord, in accordance with a schedule determined by Landlord, to discuss the parties' progress. Without limiting the foregoing, if the Substantial Completion of the Tenant Improvement Work is delayed (for purposes of this **Exhibit B,** a "**Tenant Delay**") as a result of (a) any failure of Tenant to approve the Architectural Drawings pursuant to Section 2.5 above on or before Tenant's Approval Deadline; (b) any failure of Tenant to timely approve the Engineering Drawings for any reason other than their failure to satisfy the Engineering Requirements; (c) any failure of Tenant to timely approve any other matter requiring Tenant's approval; (d) any breach by Tenant of this Suite 275 Expansion Work Letter or this Agreement; (e) any request by Tenant for a revision to, or for Landlord's approval of a revision to, any portion of the Plans that has previously been approved by both parties (except to the extent that such delay results from a failure of Landlord to perform its obligations under Section 2.7 or 3.2.2 above); (f) any requirement of Tenant for materials, components, finishes or improvements that are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Tenant Improvement Work as set forth in this Agreement; (g) any change to the base, shell or core of the Premises or Building required by the Approved Construction Drawings; or (h) any other act or omission of Tenant or any of its agents, employees or representatives, then, notwithstanding any contrary provision of this Agreement, and regardless of when the Tenant Improvement Work is actually Substantially Completed, the Tenant Improvement Work shall be deemed to be Substantially Completed on the date on which the Tenant Improvement Work would have been Substantially Completed if no such Tenant Delay had occurred. Notwithstanding the foregoing, Landlord shall not be required to tender possession of the Suite 275 Expansion Space to Tenant before the Tenant Improvement Work has been Substantially Completed, as determined without giving effect to the preceding sentence.

5.3. **Current Premises**. Tenant acknowledges and agrees that the Tenant Improvement Work in the Current Premises may be performed during Building HVAC Hours before the Suite 275 Expansion Effective Date. Landlord and Tenant shall cooperate with each other in order to enable the Tenant Improvement Work in the Current Premises to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding any contrary provision of this Agreement, any delay in the completion of the Tenant Improvement Work in the Current Premises or inconvenience suffered by Tenant during the performance of the Tenant Improvement Work in the Current Premises shall not subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease.

6 MISCELLANEOUS. Notwithstanding any contrary provision of this Agreement, if Tenant defaults under this Agreement before the Tenant Improvement Work is completed, Landlord's obligations under this Suite 275 Expansion Work Letter shall be excused until such default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Suite 275 Expansion Work Letter shall not apply to any space other than the Premises.

EXHIBIT C

NOTICE OF LEASE TERM DATES

_____, 20____

To: _____
_____
_____
_____

Re: Third Amendment (the "**Amendment**"), dated , 2014, to a lease agreement dated September 26, 2011, between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership ("Landlord"),** and **COHERUS BIOSCIENCES, INC., a Delaware corporation** ("**Tenant**"), concerning Suite 275 on the second floor of the building located at 201 Redwood Shores Parkway, Redwood City, California (the "**Suite 275 Expansion Space**").

Lease ID: _____

Business Unit Number: _____

Dear _____:

In accordance with the Amendment, Tenant accepts possession of the Suite 275 Expansion Space and confirms that the Suite 275 Expansion Effective Date is , 20 .

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. Please note that, under Section 1.3 of the Amendment, Tenant is required to execute and return (or reasonably object in writing to) this letter within five (5) business days after receiving it.

"Landlord":

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

Agreed and Accepted as of , 2014.

"Tenant":

COHERUS BIOSCIENCES, INC., a Delaware corporation

By: _____
Name: _____
Title: _____

FOURTH AMENDMENT

THIS FOURTH AMENDMENT (this **"Fourth Amendment"**) is made and entered into as of May 1, 2014, by and between **CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership** (**"Landlord"**), and **COHERUS BIOSCIENCES, INC., a Delaware corporation ("Tenant")**.

RECITALS

A. Landlord and Tenant (formerly known as Biogenerics, Inc., a Delaware corporation) are parties to that certain lease dated September 26, 2011, as previously amended by that certain First Amendment dated as of May 17, 2012, that certain Second Amendment dated as of September 11, 2013, and that certain Third Amendment dated as of February 4, 2014 (the **"Third Amendment"**) (together, as amended, the **"Lease"**). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 10,560 rentable square feet (the **"Existing Premises"**) described as Suite No. 200 consisting of approximately 6,638 rentable square feet on the on the second floor of the building commonly known as Towers @ Shores – 201 Redwood Shores located at 201 Redwood Shores Parkway, Redwood City, California (the **"Building"**), Suite No. 295 consisting of approximately 1,865 rentable square feet on the second floor of the Building, and Suite No. 275 consisting of approximately 2,057 rentable square feet on the second floor of the Building.

B. The Lease will expire by its terms on September 30, 2016 (the **"Extended Expiration Date"**), and the parties wish to extend the term of the Lease on the following terms and conditions.

C. The parties wish to expand the Premises (defined in the Lease) to include additional space, containing approximately 4,303 rentable square feet described as Suite Nos. 242 and 245 on the second floor of the Building and shown on **Exhibit A** attached hereto (the **"Suites 242 & 245 Expansion Space"**), on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** The term of the Lease is hereby extended through April 30, 2017 (the **"Additional Extended Expiration Date"**) with respect to the entire Premises. The portion of the term of the Lease beginning on the date immediately following the Extended Expiration Date (the **"Additional Extension Date"**) and ending on the Additional Extended Expiration Date shall be referred to herein as the **"Additional Extended Term"**.

2. **Expansion**.

2.1. **Effect of Expansion.** Effective as of the Suites 242 & 245 Expansion Effective Date (defined in Section 2.2 below), the Premises shall be increased from 10,560 rentable square feet on the second floor to 14,863 rentable square feet on the second floor by the addition of the Suites 242 & 245 Expansion Space, and, from and after the Suites 242 & 245 Expansion Effective Date, the Existing Premises and the Suites 242 & 245 Expansion Space shall collectively be deemed the Premises. The term of the Lease for the Suites 242 & 245 Expansion Space (the **"Suites 242 & 245 Expansion Term"**) shall commence on the Suites 242 & 245 Expansion Effective Date and, unless sooner terminated in accordance with the Lease, end on the Additional Extended Expiration Date. From and after the Suites 242 & 245 Expansion Effective Date, the Suites 242 & 245 Expansion Space shall be subject to all the terms and conditions of the Lease except as provided herein. Except as may be expressly provided herein, (a) Tenant shall not be entitled to receive, with respect to the Suites 242 & 245 Expansion Space, any allowance, free rent or other financial concession granted with respect to the Existing Premises, and (b) no representation or warranty made by Landlord with respect to the Existing Premises shall apply to the Suites 242 & 245 Expansion Space.

2.2. **Suites 242 & 245 Expansion Effective Date.** As used herein, **"Suites 242 & 245 Expansion Effective Date"** means the earlier of (i) the date on which Tenant first conducts business in the Suites 242 & 245 Expansion Space pursuant to this Fourth Amendment, or (ii) two (2) days after the date on which the Tenant Improvement Work

(defined in **Exhibit B** attached hereto) is Substantially Complete (defined in **Exhibit B** attached hereto), which is anticipated to be April 15, 2014 (the **"Suites 242 & 245 Target Expansion Effective Date"**). The adjustment of the Suites 242 & 245 Expansion Effective Date and, accordingly, the postponement of Tenant's obligation to pay rent for the Suites 242 & 245 Expansion Space shall be Tenant's sole remedy if the Tenant Improvement Work is not Substantially Complete on the Suites 242 & 245 Target Expansion Effective Date. If the Suites 242 & 245 Expansion Effective Date is delayed, the Additional Extended Expiration Date shall not be similarly extended.

2.3. **Confirmation Letter.** At any time after the Suites 242 & 245 Expansion Effective Date, Landlord may deliver to Tenant a notice substantially in the form of **Exhibit C** attached hereto, as a confirmation of the information set forth therein. Tenant shall execute and return (or, by written notice to Landlord, reasonably object to) such notice within five (5) days after receiving it.

3. **Base Rent**.

3.1. **Existing Premises During Additional Extended Term**. With respect to the Existing Premises during the Additional Extended Term, the schedule of Base Rent shall be as follows:

Period of Additional Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
10/1/2016 – 4/30/2017	$ 59.01	$ 51,928.80

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

3.2. **Suites 242 & 245 Expansion Space During Suites 242 & 245 Expansion Term.** With respect to the Suites 242 & 245 Expansion Space during the Suites 242 & 245 Expansion Term, the schedule of Base Rent shall be as follows:

Period During Suites 242 & 245 Expansion Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
Suites 242 & 245 Expansion Effective Date through last day of 12th full calendar month of Suites 242 & 245 Expansion Term	$ 54.00	$ 19,363.50
13th through 24th full calendar months of the Suites 242 & 245 Expansion Term	$ 55.62	$ 19,944.41
25th full calendar month of the Suites 242 & 245 Expansion Term through 4/30/2017	$ 57.29	$ 20,543.24

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease.

4. **Additional Security Deposit.** Upon Tenant's execution hereof, Tenant shall pay Landlord the sum of $6,767.00, which shall be added to and become part of the Security Deposit held by Landlord pursuant to Section 1.8 of the Lease. Accordingly, simultaneously with the execution hereof, the Security Deposit is hereby increased from $23,233.00 to $30,000.00.

5. **Tenant's Share.** With respect to the Suites 242 & 245 Expansion Space during the Suites 242 & 245 Expansion Term, Tenant's Share shall be 1.2865%.

6. **Expenses and Taxes.**

6.1. **Existing Premises During Additional Extended Term.** With respect to the Existing Premises during the Additional Extended Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that,

with respect to the portion of the Existing Premises containing approximately 8,503 rentable square feet and described as Suite Nos. 200 and 295, during the Additional Extended Term the Base Year for Expenses and Taxes shall continue to be 2013, and with respect to the portion of the Existing Premises containing approximately 2,057 rentable square feet and described as Suite No. 275, during the Additional Extended Term the Base Year for Expenses and Taxes shall continue to be 2014.

6.2. **Suites 242 & 245 Expansion Space During the Suites 242 & 245 Expansion Term.** With respect to the Suites 242 & 245 Expansion Space during the Suites 242 & 245 Expansion Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that, with respect to the Suites 242 & 245 Expansion Space during the Suites 242 & 245 Expansion Term, the Base Year for Expenses and Taxes shall be 2014.

7. **Improvements to Existing Premises and Suites 242 & 245 Expansion Space.**

7.1. **Configuration and Condition of Existing Premises and Suites 242 & 245 Expansion Space.** Tenant acknowledges that it is in possession of the Existing Premises and that it has inspected the Suites 242 & 245 Expansion Space, and agrees to accept each such space in its existing configuration and condition (or, in the case of the Suites 242 & 245 Expansion Space, in such other configuration and condition as any existing tenant of the Suites 242 & 245 Expansion Space may cause to exist in accordance with its lease), without any representation by Landlord regarding its configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Fourth Amendment.

7.2. **Responsibility for Improvements to the Suites 242 & 245 Expansion Space.** Landlord shall perform improvements to the Suites 242 & 245 Expansion Space in accordance with **Exhibit B** attached hereto.

8. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Fourth Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

8.1 **Deletions.** Section 6.2 and Exhibit B of the Third Amendment are hereby deleted in their entirety and are of no further force or effect.

8.2. **Parking.** Effective as of the Suites 242 & 245 Expansion Effective Date, the reference to "Thirty-five (35) unreserved parking spaces" set forth in Section 1.9 of the Lease, is hereby amended and restated as "Forty-nine (49) unreserved parking spaces."

8.3. **Early Access to Suites 242 & 245 Expansion Premises.** Tenant may enter the Suites 242 & 245 Expansion Space after the installation of carpeting in the Suites 242 & 245 Expansion Space and before the Suites 242 & 245 Expansion Effective Date, solely for the purpose of installing equipment, furnishings and other personal property in the Suites 242 & 245 Expansion Space. Other than the obligation to pay Base Rent and Tenant's Share of Expenses and Taxes with respect to the Suites 242 & 245 Expansion Space, all of Tenant's obligations hereunder shall apply during any period of such early entry. Notwithstanding the foregoing, Landlord may limit, suspend or terminate Tenant's rights to enter the Suites 242 & 245 Expansion Space pursuant to this Section 8.2 if Landlord reasonably determines that such entry is endangering individuals working in the Suites 242 & 245 Expansion Space or is delaying completion of the Tenant Improvement Work (defined in **Exhibit B**).

8.4. **California Public Resources Code § 25402.10.** If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Building, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required to disclose to a prospective buyer, tenant or mortgage lender under California Public Resources Code § 25402.10 or any similar law.

8.5. **California Civil Code Section 1938.** Pursuant to California Civil Code § 1938, Landlord hereby states that, to Landlord's actual knowledge, the Existing Premises and the Suites 242 & 245 Expansion Space have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

9. **Miscellaneous.**

9.1. This Fourth Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Fourth Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Fourth Amendment.

9.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

9.3. In the case of any inconsistency between the provisions of the Lease and this Fourth Amendment, the provisions of this Fourth Amendment shall govern and control.

9.4. Submission of this Fourth Amendment by Landlord is not an offer to enter into this Fourth Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Fourth Amendment until Landlord has executed and delivered it to Tenant.

9.5. Capitalized terms used but not defined in this Fourth Amendment shall have the meanings given in the Lease.

9.6. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Cornish & Carey, Palo Alto) claiming to have represented Tenant in connection with this Fourth Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than Cornish & Carey, San Mateo) claiming to have represented Landlord in connection with this Fourth Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Fourth Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

9.7. If Tenant has any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) that was granted to Tenant under the Lease (as determined without giving effect to this Fourth Amendment) and that, by virtue of this Fourth Amendment, will continue in effect during the Additional Extended Term, then, from and after the Additional Extension Date, such expansion right shall be subject and subordinate to any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or Project existing on the date of mutual execution and delivery hereof.

9.8. If Tenant has any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) that was granted to Tenant under the Lease (as determined without giving effect to this Fourth Amendment) and that, by virtue of this Fourth Amendment, will apply to space different from or in addition to the space to which such expansion right previously applied, then, as applied to such different or additional space, such expansion right shall be subject and subordinate to any expansion right (whether such right is designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or Project existing on the date of mutual execution and delivery hereof.

[SIGNATURES ARE ON FOLLOWING PAGE]

EXHIBIT A

OUTLINE AND LOCATION OF SUITES 242 & 245 EXPANSION SPACE

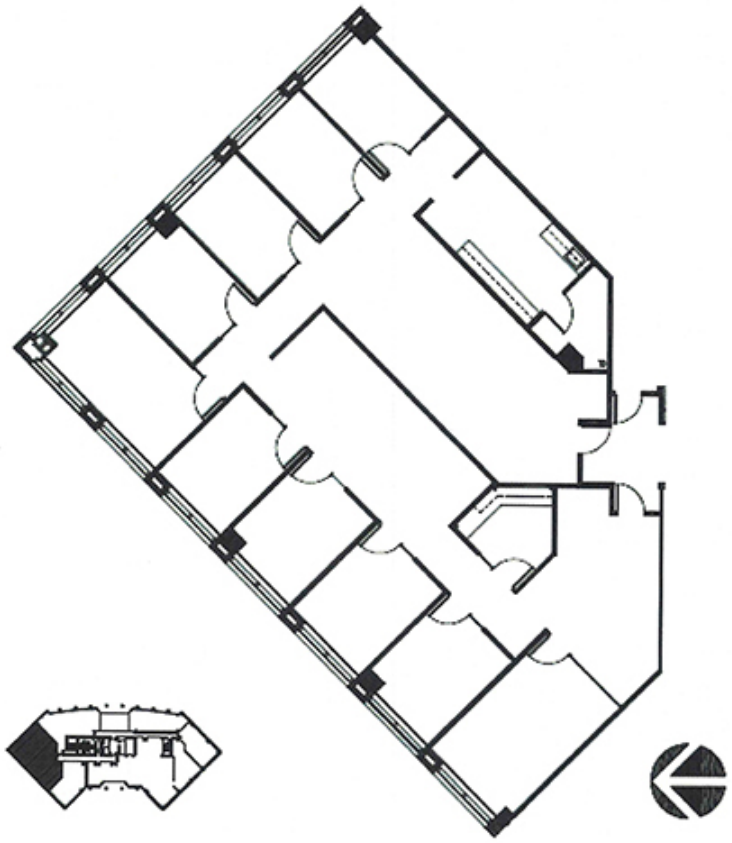


EXHIBIT B

WORK LETTER

THE TOWERS @ SHORES CENTER
201 REDWOOD SHORES
REDWOOD CITY, CALIFORNIA

As used in this **Exhibit B** (this "**Suites 242 & 245 Work Letter**"**),** the following terms shall have the following meanings:

(i) "**Premises**" means the Suites 242 & 245 Expansion Space;

(ii) "**Tenant Improvements**" means all improvements to be constructed in the Premises pursuant to this Suites 242 & 245 Work Letter;

(iii) "**Tenant Improvement Work**" means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements;

(iv) "**law**" means Law; and

(v) "**Agreement**" means the Fourth Amendment of which this Suites 242 & 245 Work Letter is a part.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Section 2.7 below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 WORK LIST.

2.1 **Work List.** Landlord shall perform improvements to the Premises in accordance with the following work list (the "**Work List**"**)** using Building-standard methods, materials and finishes.

WORK LIST

ITEM

1. Install new Building-standard carpet in Premises.
2. Install card readers on the two (2) doors that open into the common corridor.

2.2 [Intentionally Omitted]

2.3 [Intentionally Omitted]

2.4 [Intentionally Omitted]

2.5 [Intentionally Omitted]

2.6 [Intentionally Omitted]

2.7 **Revisions to Work List.** The Work List shall not be revised without Landlord's agreement, which agreement may be withheld or conditioned in Landlord's sole and absolute discretion. If Tenant requests any revision to the Work List, Landlord shall provide Tenant with notice approving or disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the cost of the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Work List without Tenant's consent, which shall not be unreasonably withheld or conditioned.

Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Work List within two (2) business days after receiving Landlord's request for approval thereof. Any change order affecting the Work List shall be deemed a revision to the Work List. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Work List requested by Tenant, including the cost of preparing such revision.

2.8 [Intentionally Omitted]

3 CONSTRUCTION.

3.1 **Contractor.** Landlord shall retain a contractor of its choice (the "**Contractor**") to perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the performance of the Tenant Improvement Work.

3.2 [Intentionally Omitted]

3.3 **Permits.** Landlord shall cause the Contractor to apply to the appropriate municipal authorities for, and obtain from such authorities, all permits necessary for the Contractor to complete the Tenant Improvement Work (the "**Permits**").

3.4 **Construction**

3.4.1 **Performance of Tenant Improvement Work.** Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Work List.

3.4.2 **Contractor's Warranties.** Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall promptly cause such defect to be corrected.

4 COMPLIANCE WITH LAW; SUITABILITY FOR TENANT'S USE. Landlord shall cause the Work List to comply with law. Except as provided in the preceding sentence, Tenant shall be responsible for ensuring that the Work List is suitable for Tenant's use of the Premises, and neither the preparation nor the approval of the Work List by Landlord or its consultants shall relieve Tenant from such responsibility. Landlord may contest any alleged violation of law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by law, and exercising any right of appeal (provided that, after completing such contest, Landlord makes any modification to the Work List or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 COMPLETION.

5.1 **Substantial Completion.** For purposes of Section 2.2 of this Agreement, and subject to Section 4.2 below, the Tenant Improvement Work shall be deemed to be "**Substantially Complete**" upon the completion of the Tenant Improvement Work pursuant to the Work List (as reasonably determined by Landlord), with the exception of any details of construction, mechanical adjustment or any other similar matter the non-completion of which does not materially interfere with Tenant's use of the Premises.

5.2 **Tenant Cooperation; Tenant Delay.** Tenant shall use reasonable efforts to cooperate with Landlord, the Contractor, and Landlord's other consultants to provide any necessary approvals relating to the Work List, obtain the Permits, and complete the Tenant Improvement Work as soon as possible, and Tenant shall meet with Landlord, in accordance with a schedule determined by Landlord, to discuss the parties' progress. Without limiting the foregoing, if (i) the Tenant Improvements include the installation of electrical connections for furniture stations to be installed by Tenant, and (ii) any electrical or other portions of such furniture stations must be installed in order for Landlord to obtain any governmental approval required for occupancy of the Premises, then (x) Tenant, upon five (5) business days' notice from Landlord, shall promptly install such portions of such furniture stations in accordance with **Sections 7.2** and **7.3** of the Lease, and (y) during the period of Tenant's entry into the Premises for the purpose of performing such installation, all of Tenant's obligations under this Agreement relating to the Premises shall apply, except for the obligation to pay Monthly Rent. In addition, without limiting the foregoing, if the Substantial Completion of the Tenant Improvement Work is delayed (for purposes of this **Exhibit B,** a "**Tenant Delay**") as a result of (a) [Intentionally Omitted]; (b) [Intentionally Omitted]; (c) any failure of Tenant to timely approve any matter requiring Tenant's approval; (d) any breach by

Tenant of this Suites 242 & 245 Work Letter or this Agreement; (e) any request by Tenant for any revision to, or for Landlord's approval of any revision to, the Work List (except to the extent that such delay results from a breach by Landlord of its obligations under Section 2.7 above); (f) [Intentionally Omitted]; (g) [Intentionally Omitted]; or (h) any other act or omission of Tenant or any of its agents, employees or representatives, then, notwithstanding any contrary provision of this Agreement, and regardless of when the Tenant Improvement Work is actually Substantially Completed, the Tenant Improvement Work shall be deemed to be Substantially Completed on the date on which the Tenant Improvement Work would have been Substantially Completed if no such Tenant Delay had occurred. Notwithstanding the foregoing, Landlord shall not be required to tender possession of the Premises to Tenant before the Tenant Improvement Work has been Substantially Completed, as determined without giving effect to the preceding sentence.

6 MISCELLANEOUS. Notwithstanding any contrary provision of this Agreement, if Tenant defaults under this Agreement before the Tenant Improvement Work is completed, Landlord's obligations under this Suites 242 & 245 Work Letter shall be excused until such default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Suites 242 & 245 Work Letter shall not apply to any space other than the Premises.

EXHIBIT C

NOTICE OF LEASE TERM DATES

_____, 20__

To: Coherus Biosciences, Inc.

_____

_____

_____

Re: Fourth Amendment (the "**Fourth Amendment**"), dated , 2014, to a lease agreement dated September 26, 2011, between **CA-TOWERS AT SHORES LIMITED PARTNERSHIP,** a Delaware limited partnership **("Landlord"),** and **COHERUS BIOSCIENCES, INC., a Delaware corporation ("Tenant"),** concerning Suites 242 & 245 on the second floor of the building located at 201 Redwood Shores Parkway, Redwood City, California (the "**Suites 242 & 245 Expansion Space**"**).**

Lease ID:_____

Business Unit Number:_____

Dear _____:

In accordance with the Fourth Amendment, Tenant accepts possession of the Suites 242 & 245 Expansion Space and confirms that (a) the Suites 242 & 245 Expansion Effective Date is , 2014, and (b) the Additional Extended Expiration Date is April 30, 2017.

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. Please note that, under Section 2.3 of the Fourth Amendment, Tenant is required to execute and return (or reasonably object in writing to) this letter within five (5) days after receiving it.

"Landlord":

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: _____
Name: _____
Title: _____

Agreed and Accepted as
of , 201 .

"Tenant":

COHERUS BIOSCIENCES, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Fourth Amendment as of the day and year first above written.

LANDLORD:

CA-TOWERS AT SHORES CENTER LIMITED PARTNERSHIP, a Delaware limited partnership

By: EOP Owner GP L.L.C., a Delaware limited liability company, its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President – Leasing

TENANT:

COHERUS BIOSCIENCES, INC., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name: Dennis M. Lanfear
Title: President & CEO

AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE – GROSS

1. **Basic Provisions ("Basic Provisions").**

1.1 **Parties:** This Lease (**"Lease"**), dated for reference purposes only December 5, 2011, is made by and between Howard California Property Camarillo 5 (**"Lessor"**) and BioGenerics, Inc., a Delaware corporation (**"Lessee"**), (collectively the **"Parties"**, or individually a **"Party"**).

1.2(a) **Premises:** That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 4014 Camino Ranchero, Unit A, located in the City of Camarillo, County of Ventura, State of California, with zip code 93010, as outlined on Exhibit A attached hereto (**"Premises"**) and generally described as (describe briefly the nature of the Premises): an approximate 4,268 square foot unit, which is part of a larger four building multi-tenant complex of approximately 82,310 square feet, zoned M1. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises (**"Building"**) and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the **"Project."** (See also Paragraph 2)

1.2(b) **Parking:** Ten (10) unreserved vehicle parking spaces. (See also Paragraph 2.6)

1.3 **Term:** Three (years and zero months (**"Original Term"**) commencing January 1, 2012 (**"Commencement Date"**) and ending December 31, 2014 (**"Expiration Date"**). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing upon substantial completion of improvements (**"Early Possession Date"**). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent: $**4,054.00 per month ("**Base Rent**"), payable on the first (1st) day of each month commencing January 1, 2012. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 50

1.6 **Lessee's Share of Common Area Operating Expenses:** five pt two percent (5.2%) (**"Lessee's Share"**). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $4,054.00 for the period Jan. 1, 2012 thru Jan. 31, 2012.

(b) **Common Area Operating Expenses:** $50.00 for the ~~period~~ monthly trash fee.

(c) **Security Deposit:** $4,054.00 (**"Security Deposit"**). (See also Paragraph 5)

(d) **Other:** $10,000.00 for deposit on Tenant Improvements.

(e) **Total Due Upon Execution of this Lease:** $18,158.00.

1.8 **Agreed Use:** general office use, laboratory use including chemical analysis in connection with research and development of products related to Lessee's business operations and related uses. (See also Paragraph 6)

1.9 **Insuring Party**. Lessor is the **"Insuring Party"**. (See also Paragraph 8)

1.10 **Real Estate Brokers:** (See also Paragraph 15 and 25)

(a) **Representation**: The following real estate brokers (the **"Brokers"**) and brokerage relationships exist in this transaction (check applicable boxes):

☒ CBRE, Inc. represents Lessor exclusively (**"Lessor's Broker"**);

☒ Cresa Partners represents Lessee exclusively (**"Lessee's Broker"**); or

☐ represents both Lessor and Lessee (**"Dual Agency"**).

(b) **Payment to Brokers**: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, the sum of or % of the total Base Rent payable for the Original Term, the sum of or of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of or % of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by N/A (**"Guarantor"**). (See also Paragraph 37)

INITIALS **INITIALS**

1.12 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 50 through 60;

☒ a site plan depicting the Premises;

☐ a site plan depicting the Project;

☐ a current set of the Rules and Regulations for the Project;

☐ a current set of the Rules and Regulations adopted by the owners' association;

☐ a Work Letter;

☒ other (specify): Move-In Checklist

2. **Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building **("Unit")** to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs **("Start Date"),** and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems **("HVAC"),** loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7).

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Start Date **("Applicable Requirements").** Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building **("Capital Expenditure"),** Lessor and Lessee shall allocate the cost of such work as follows:

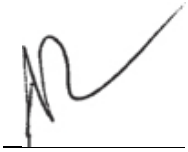
(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all

responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.



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2.5 **Lessee as Prior Owner/Occupant**. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking**. Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called **"Permitted Size Vehicles".** Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition**. The term **"Common Areas"** is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights**. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations**. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations (**"Rules and Regulations"**) for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes**. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession**. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses. Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay in Possession**. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed be Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period. Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance**. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. ~~Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, me Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.~~

Rent.

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4.1. **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent **("Rent")**.

4.2 **Common Area Operating Expenses"**. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) The following costs relating to the ownership and operation of the Project are defined as **"Common Area Operating Expenses"**:

~~(i) Costs relating to the operation, repair and maintenance, in neat, clean, good order and condition, but not the replacement (see subparagraph) (e)), of the following:~~

~~(aa) The Common Areas and Common area improvement, including parking areas, loading and unloading areas, trash areas roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates elevators, roofs exterior walls of the buildings, building systems and roof drainage systems.~~

~~(bb) Exterior signs and any tenant directories.~~

~~(cc) Any fire sprinkler systems.~~

~~(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other spaces occupied by a tenant.~~

~~(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.~~

~~(iii) The cost of trash disposal, pest control services, property management, security services, owner's association dues and fees the cost to repaint the exterior of any structures and the cost of any environmental inspections.~~

~~(iv) Reserves set aside for maintenance and repair of Common Areas and Common Area equipment.~~

(v) Any increase above the Base Real Property Taxes (as defined in Paragraph 10).

(vi) Any "Insurance Cost Increase" (as defined in Paragraph 8).

~~(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.~~

~~(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.~~

~~(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month.~~

~~(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense~~.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

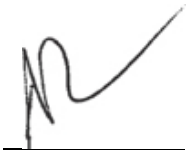
(e) Common Area Operating Expenses shall not include the cost of replacing equipment or capital components such as the roof, foundations, exterior walls or Common Area capital improvements, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(f) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any statement or invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. ~~If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the~~

~~initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occur during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition~~. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.



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6. **Use.**

6.1 **Use**. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances**.

(a) **Reportable Uses Require Consent**. The term **"Hazardous Substance"** as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. **"Reportable Use"** shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit. Lessor shall permit Lessee to use < 1 gallon quantities of common laboratory solvents such as acetone, acetonitrile, isopropanol, *and* acids and bases to be stored and disposed of in accordance with Applicable Requirements.

(b) **Duty to Inform Lessor**. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation**. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification**. Lessee shall indemnify, defend and hold Lessor, its agents and, employees, ~~lenders and ground lessor, if any~~, harmless from and against any and all loss of rents and/or damages, liabilities, ~~judgments~~, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party under Lessee's control (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises ~~from areas outside of the project~~ not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release either party ~~Lessee~~ from its obligations under this Lease with respect to Hazardous Substances, unless specifically set forth therein ~~so agreed by Lessor in writing at the time of such agreement~~.

(e) **Lessor Indemnification**. Lessor and its successors and assigns shall indemnify, defend, ~~reimburse~~ and hold Lessee, its directors, officers, agents and employees ~~and lenders~~ harmless from and against any and all ~~environmental~~ damages, liabilities, claims, expenses, penalties and attorneys' and consultants' fees aristing out of or involving the use, generations, storage, release or disposal of any Hazardous Substances by Lessor or any third party under Lessor's control, or by an prior owner or operator of the Premises, the Building or the Project, ~~including the cost of remediation, which suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employee~~. Lessor's obligations, ~~as and when required by the Applicable Requirements~~, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations**. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option**. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13),

Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to such Requirements, without regard to whether said Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance.** Lessor and Lessor's "**Lender**" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, except in an emergency, only when accompanied by Lessee's representative and pursuant to Lessee's protocol, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor.

7. **Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.**

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform**. If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term **"Alterations"** shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

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(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, Lessor shall provided in writing whether all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment of Premium Increases.**

(a) As used herein, the term "**Insurance Cost Increase**" is defined as any increase in the actual cost of the insurance applicable to the Building and/or the Project and required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), ("**Required Insurance**"), over and above the Base Premium, as hereinafter defined, calculated on an annual basis. Insurance Cost Increase shall include, but not be limited to, requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. The term Insurance Cost Increase shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. The "**Base Premium**" shall be the annual premium applicable to the 12 month period immediately preceding the Start Date. If, however, the Project was not insured for the entirety of such 12 month period, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the Start Date, assuming the most nominal use possible of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of $2,000,000 procured under Paragraph 8.2(b). Lessee has the right to review / audit any insurance increase request.

(b) Lessee shall pay any Insurance Cost Increase to Lessor pursuant to Paragraph 4.2. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

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8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified. Lessor shall indemnify, defend, protect and hold Lessee, its (direct or indirect) owners, and their respective beneficiaries, trustees, officers, directors, employees and agents (including Lessee, the "Lessee Parties") harmless from any Claim that is imposed or asserted by any third party and arises from (a) any negligence or willful misconduct of any Lessor Party, or (b) any breach by Lessor of any representation, covenant or other term contained herein, except to the extent such Claim aries from the negligence or willful misconduct of any Lessee Party.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain.

Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor

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with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Lessee has the responsibility to repair or replace pursuant to the provisions of Paragraph 7.1.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor or Lessee may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or

restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean ~~either the unconditional authorization of the preparation of the required plans, of~~ the beginning of the actual work on the Premises ~~whichever first occurs~~.

9.7 **Termination; Advance Payments**. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes**.

10.1 **Definitions.**

(a) "**Real Property Taxes**." As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

(b) "**Base Real Property Taxes**." As used herein, the term "**Base Real Property Taxes**" shall be the amount of Real Property Taxes, which are assessed against the Premises, Building, Project or Common Areas for the year 2012 ~~in the calendar year during which the Lease is executed~~. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes**. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2. Lessee has the right to review/audit any property tax or insurance increase request.

10.3 **Additional Improvements**. Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other tenants or by Lessor for the exclusive enjoyment of such other Tenants. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment**. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes**. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services**. Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting**.

12.1 **Lessor's Consent Required**.

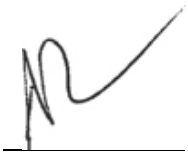
(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 50% ~~25%~~ or more of the voting control of Lessee shall constitute a change in control for this purpose. Notwithstanding anything to the contrary set forth herein Lessee may assign this Lease without Lessor's consent to an "affiliated entity" meaning any partnership, corporation or limited liability company over which the owners of Lessee or Lessee has legal control, the purchaser of substantially all of Lessee's assets or the surviving entity in a merger, conversion, or other reorganization involving Lessee, provided, however, that no transfer of voting control resulting from a bona finde equity financing shall constitute or otherwise give rise to a change of control for purposes of this Section 12.1(b).

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such

reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.



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(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting**.

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting**. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies**.

13.1 **Default; Breach.** A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. Whenever a party is in default under the Lease, the non-defaulting party shall use commercially reasonable efforts to mitigate the damages resulting from the default. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

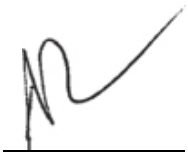
(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other

documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.



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(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a **"debtor"** as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies**. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) 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 the Lessee proves could have been reasonably avoided; (iii) 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 the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture**. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

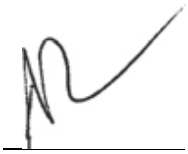
13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest**. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within 30 days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach**. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of

Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.



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(b) **Performance by Lessee on Behalf of Lessor**. In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation**. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees**.

15.1 **Additional Commission**. If a separate brokerage fee agreement is attached then in addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule attached to such brokerage fee agreement.

15.2 **Assumption of Obligations**. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships**. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates**.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth. Notwithstanding the above, Lessee shall only be required to disclose financial statements if a Non-Disclosure Agreement has been signed by the potential purchaser or lender and potential purchaser or lender is not a competitor or in a similar business.

17. **Definition of Lessor**. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability**. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days**. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability**. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to

this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

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21. **Time of Essence**. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer**. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements**. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice**. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. **Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship**.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) *Lessor's Agent*. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: *To the Lessor*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. *To the Lessee and the Lessor*: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Lessee's Agent*. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. *To the Lessee*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. *To the Lessee and the Lessor:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) *Agent Representing Both Lessor and Lessee*. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies**. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

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28. **Covenants and Conditions; Construction of Agreement**. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law**. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination**. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Devise to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time (only when accompanied by Lessee's representative and pursuant to Lessee's protocol except in an emergency), in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

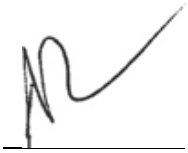
33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and out of pocket expenses shall be capped at $1,000 (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be

otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.



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37. **Guarantor**.

37.1 **Execution**. The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association,.

37.2 **Default**. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession**. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted an option, as defined below, then the following provisions shall apply.

39.1 **Definition**. **"Option"** shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee**. Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options**. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options**.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures**. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations**. Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest**. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution**.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as " Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict**. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer**. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments**. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. ~~As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.~~

47. **Waiver of Jury Trial**. **THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT**.

48. **Arbitration of Disputes**. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

49. **Americans with Disabilities Act**. To the best of our knowledge the Premises and tenant improvements being done by the Lessor will comply with the ADA. The Lessor will agree to rectify any reported non-compliance within a reasonable time. ~~Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.~~

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LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: 875 Westlake Boulevard, Suite 114 Thousand Oaks, CA 91361
On: December 13, 2011

By LESSOR:

Howard California Property Camarillo 5

By: /s/ Gary Brown
Name Printed: Gary Brown
Title: _____

By: _____

Name Printed: _____
Title: _____

Address: 875 Westlake Boulevard, Suite 114 Thousand Oaks, CA 91361
Telephone: (805) 778 - 0633
Facsimile: (805) 778 - 0664
Email: gbrown@darcom1.com

Email: _____

Federal ID No. _____

BROKER:

CBRE, Inc.

Att: James M. Meaney
Title: First Vice President
Address: 771 East Daily Drive, Suite 300
Camarillo, CA 93010
Telephone: (805) 465 - 1621
Facsimile: (805) 465 - 1665
Email: jim.meaney@cbre.com

Federal ID No. 95 - 2743174
Broker/Agent DRE License #: 01360121

Executed: 201 Redwood Shores Pkwy, STE 200, Redwood City, CA 94065
On: December 9, 2011

By LESSEE:

BioGenerics, Inc. a Delaware corporation

By: /s/ Dennis M. Lanfear
Name Printed: Dennis M. Lanfear
Title: President & CEO

By: _____

Name Printed: _____
Title: _____

Address: 4014 Camino Ranchero #A
Camarillo, CA 93012
Telephone: ( ) _____
Facsimile: ( ) _____
Email: _____

Email: _____

Federal ID No. _____

BROKER:

CRESA Partners

Att: Dan Gallup
Title: Senior Vice President
Address: 11726 San Vicente Blvd #500
Los Angeles, CA 90049
Telephone: (310) 207 - 1700
Facsimile: (310) 207 - 0930
Email: _____

Federal ID No. 27 - 3615821
Broker/Agent DRE License #: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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ADDENDUM TO THAT STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE-GROSS DATED DECEMBER 5, 2011, BY AND BETWEEN HOWARD CALIFORNIA PROPERTY CAMARILLO 5, AS LESSOR, AND BIOGENERICS, INC., A DELAWARE CORPORATION, AS LESSEE, FOR THE PROPERTY COMMONLY KNOWN AS 4014 CAMINO RANCHERO #A, CAMARILLO, CALIFORNIA 93012.

Notwithstanding anything to the contrary contained in the above referenced lease, the following provisions shall apply. In the event of any conflict between the provisions contained herein and those contained in the lease, the provisions herein shall prevail.

50. Signage:

Subject to Lessor's prior written consent as to size, color and location, Lessee shall have the right to place a sign on the glass front of the Premises in accordance with all governmental regulations and Landlord's standard sign criteria. Lessee shall be solely responsible for the cost of all permits, installation and maintenance for said sign. At the end of the term, or any extension thereof, Lessee shall be responsible for the sign's removal and building repair required after the sign's removal. Prior to the sign's installation, Lessee shall provide Lessor with copies of all approved plans and required permits for said sign.

51. Window Coverings:

Lessee shall not place or permit to be placed on the windows or doors of the Premises, any window coverings including curtains, blinds, metallic foil, or other covering without the express written consent of Lessor. Any window or door coverings permitted by Lessor shall be approved by Lessor prior to their installation in the Premises.

52. Roof Equipment:

Lessee shall be allowed to place equipment, antenna or similar item on the roof subject to Lessor's approval which shall not be unreasonably withheld. No penetrations shall be allowed without Lessor's roofer doinging the job. Lessor's roofer must be present and Lessee must have liability insurance in place. Lessee shall not be charged additional rent or otherwise for use of the roof as set forth herein.

53. Outside Storage:

No material is to be stored outside the building at any time. The prohibition against outside storage includes, but is not limited to, equipment, materials, inoperative vehicles, campers, trailers, boats, barrels, pallets, and trash (other than in containers provided by commercial trash collectors which are picked up on a regularly scheduled basis and stored in the trash enclosure).

54. Rent Abatement:

There shall be no base rent due for February 2012, March 2012, April 2012, February 2013 and February 2014.

55. Hazardous Materials:

As in any real estate transaction, it is recommended that you consult with a professional such as a civil engineer, industrial hygienist or other person, with experience in evaluating the condition of the property including the possible presence of asbestos, hazardous materials and underground storage tanks. Owner agrees to disclose to Broker and to prospective purchasers and tenants any and all information which Owner has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property including, but not limited to, structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in on, or about the Property. Broker is authorized to disclose any such information to prospective purchasers or tenants.

56. ADA:

Please be advised that an owner or Lessee of real property may be subject to the Americans with Disabilities Act (the ADA), a Federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to your property, Title III of the ADA requires owners and Lessees of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons by January 26, 1992. The regulations under Title III of the ADA are codified at 28 CFR Part 36. We recommend you review the ADA and regulations, as CB Richard Ellis, Inc. cannot give you legal advice on these issues.

57. Tenant Improvements:

In exchange for a total of $50,000 from Lessee ($10,000 payment from Lessee at Lease execution and two, $20,000 payments during the construction of the following improvements), Lessor shall plan, permit and complete the following improvements to the premises. Lessor's work shall commence upon Lease execution and first payment. Lessor's work shall be performed and completed in a good and workmanlike manner, free of defects and in compliance with all Applicable Requirements. Lessee shall be entitled to enter the Premises two (2) weeks prior to Substantial Completion of the Tenant Improvements for the purposes of installing their equipment, furniture, fixtures and related cabling.

1. Complete HVAC in lab area and install units.
2. Bring power and data to existing conduit in lab (all installed j-boxes) as well as ceiling hung power and data points over island benches (island benches to be installed by Lessee).
3. 220 VAC installed on east wall of lab.
4. Power to existing j-boxes in unimproved areas.
5. Install ceiling tiles in lab area.
6. Remove protruding studs from laboratory floor and re-waterproof.
7. Install baseboard molding in lab.
8. Frame and hang doors in server room and in the lab space.
9. Complete vent line and T in an additional vent line from the east end of the unimproved area.
10. Install bench with two sinks on the west wall.
11. Complete data cable runs to all cubicles, offices, reception area, and conference room.
12. Paint walls in lab area. Minor touch-up as needed in office area and clean carpet.

All tenant improvements to be mutually agreed between Lessor and Lessee.

58. Trash:

Lessee shall pay, in addition to Base Rent, a $50.00 per month trash fee.

59. Lessee, at its expense, may record a memorandum of the Lease; provided the memorandum contains only such information as is necessary to provide adequate notice of the existence of the Lease, including the parties, the term, the property involved and whether options to renew or purchase exist. Upon a termination of the Lease, Lessor, on its own signature, may record a termination of any recorded memorandum.

Lessor:

Howard California Property Camarillo 5

By: /s/ Gary Brown
Name Printed: Gary Brown
Title: Manager
Date: 12-13-2011

Lessee:

BioGenerics, Inc., a Delaware corporation

By: /s/ Dennis M. Lanfear
Name Printed: Dennis M. Lanfear
Title: President & CEO
Date: December 9, 2011

MOVE-IN CHECKLIST
Camarillo Ranch Business Center
CAMARILLO, CALIFORNIA

1. ELECTRICITY:
Southern California Edison Company
10060 Telegraph Road (Between Kimball Road and Wells Road)
Ventura, California 93004
800-990-7788

UPON EXECUTION OF LEASE, PUT THE POWER ON IN YOUR NAME TO THE PREMISE ADDRESS.

2. TELEPHONE:
Verizon (www.verizon.com)
1-800-483-5000

3. GAS SERVICE
So. California Gas Co.
324 S. "B" Street, Oxnard, CA 93030
(800) 427-2200

4. TRASH SERVICE
E.J. Harrison & Sons (contracted through the City of Camarillo)
Customer Service 388-5325

5. WATER SERVICE
City of Camarillo
Water Division of the Public Works Department
601 Carmen Drive
Camarillo, CA 93010
Customer Service 388-5325
Customer Service Desk at City Hall
Weekdays from 8 AM to 5 PM

6. BUSINESS LICENSE:
PRIOR TO SIGNING A LEASE, CONFIRM THAT YOUR INTENDED USE OF THE PREMISES IS ACCEPTABLE UNDER THE CITY ZONING LAWS.

City of Camarillo
601 Carmen Drive
Finance Dept./Business Tax Division
Camarillo, CA 93010
805.388.5330

7. PROOF OF INSURANCE: sent via email 1/12/2012
Coverage must be furnished to Lessor naming **HOWARD CALIFORNIA PROPERTY CAMARILLO 5** as additionally insured before keys for the unit will be released to Lessee.

8. AIR CONDITIONING AND HEATING SYSTEMS:
Check to make certain **BOTH** air conditioning and heating cycles are operating properly (do not wait for season change to inspect). Report any problems upon move-in.

9. LESSEE REGULATIONS:

The following policies are to be adhered to:

- Objects cannot be left outside unit. Anything left outside will be subject to removal by Lessor at Lessee's expense. After third removal by Lessor, Lessee will be considered in violation of their Lease and subject to termination.
- No signage, stickers or objects are to be placed in, on or about the interior or exterior of Lessee's doors or windows without prior written consent to Lessor. Lessee shall not place any stickers or decals on Premises back pedestrian door.
- Parking is permitted in designated striped areas only. Vehicles not in such areas are subject to towing at owner's expense. There will be no overnight storage of vehicles or trailers in the parking lot. Vehicles used and moved on a **daily** basis are exempt. There will be no storage of wrecked or damaged vehicles at any time.
- Rent is due on the first of each month. If rent is not received by the 5th day of the month, a 10% late charge will be applied. There will also be a 10% charge and all back charges for all NSF checks. Upon receipt of two NSF checks, Lessee will thereafter be required to pay by cashiers' check.

10. LOCKS:

We strongly recommend that you have your unit re-keyed.

11. FIRE EXTINGUISHER:

All units must contain a minimum of one extinguisher with a minimum rating of 2A-10BC, as per the Fire Department General Fire Inspection Requirements.

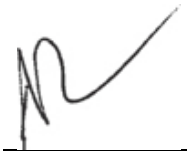
12. RENTAL CHECKS:

Please be aware that the rental checks must be made payable to:

Howard California Property Camarillo 5
875 Westlake Blvd., Suite 114
Thousand Oaks, California 91361

Thank you for your cooperation.

LESSOR'S INITIAL



LESSEE'S INITIAL

OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated December 5, 2011

By and Between (Lessor) Howard California Property Camarillo 5 LLC

By and Between (Lessee) BioGenerics, Inc., a Delaware corporation

Address of Premises: 4014 Camino Ranchero, Unit A
Camarillo, California 93012

Paragraph 60

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for one (1) additional thirty–six month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least six but not more than nine months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below:

(Check Method(s) to be Used and Fill in Appropriately)

☐ **I. Cost of Living Adjustment(s) (COLA)**

a. On (Fill in COLA Dates):_____

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area):

All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"):

The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

☐ **II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)) _____

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

INITIALS

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(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or ☐ broker (**"Consultant"** – check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie. the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

☒ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
January 1, 2015	$ 4,175.62
January 1, 2016	$ 4,300.88
January 1, 2017	$ 4,429.90

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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RENT ADJUSTMENT(S)
STANDARD LEASE ADDENDUM

Dated December 5, 2011

By and Between (Lessor) Howard California Property Camarillo 5

(Lessee) BioGenerics, Inc., a Delaware corporation

Address of Premises: 4014 Camino Ranchero, Unit A
Camarillo, California 93012

Paragraph 61

A. RENT ADJUSTMENTS:

The monthly rent for each month of the adjustment period(s) specified below shall be increased using the method(s) indicated below:

(Check Method(s) to be Used and Fill in Appropriately)

☐ **I. Cost of Living Adjustment(s) (COLA)**

a. On (Fill in COLA Dates): _____

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area):

_____, All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the ☐ first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"):_____. The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

☐ **II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s): _____

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or ☐ broker ("**Consultant**"- check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

INITIALS **INITIALS**

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new 'Base Month' for the purpose of calculating any further Adjustments.

☒ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
January 1, 2013	$ 4,176.00
January 1, 2014	$ 4,302.00

B. NOTICE:

Unless specified otherwise herein, notice of any such adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease or if applicable paragraph 9 of the Sublease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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 FORM RA-3-8/00E

BUILDING 4

UNIT A UNIT B UNIT C UNIT D UNIT E UNIT F UNIT G

[ILLEGIBLE]

Unit #	Office	Wh/Mfg	Total	Power*	Restrooms
A	656 SF	3,612 SF	4,268 SF	200 Amps	2
B	564 SF	2,162 SF	2,726 SF	100 Amps	2
C	564 SF	1,366 SF	1,930 SF	100 Amps	1
D	564 SF	1,266 SF	1,830 SF	100 Amps	1
E	564 SF	1,266 SF	1,830 SF	100 Amps	1
F	564 SF	1,366 SF	1,930 SF	100 Amps	1
G	588 SF	3,144 SF	3,732 SF	200 Amps	2

* *Upsized to allow 100 amps upgradeable to 200 amps.*
Upsized to allow 200 amps upgradeable to 400 amps

EXHIBIT A

Exhibit 10.9(b)

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is made this twenty-first (21st) day of December 2013, by and between Howard California Property Camarillo 5 (hereinafter referred to as "Lessor'') and Coherus Biosciences, Inc. (hereinafter referred to as "Lessee").

WHEREAS, the parties hereto have heretofore entered into an agreement of lease (hereinafter referred to as "the Lease") dated December 5, 2011, and Commencement Date Memorandum covering the premises and an assignment of lease assigning the leased premises from BioGenerics, Inc. to Coherus Biosciences, Inc. Premises commonly known as 4014 Camino Ranchero, Unit A, Camarillo, CA.

WHEREAS, the parties hereto desire to amend the Lease in order to correctly reflect the extension of existing lease and expansion of leased Premises;

NOW, THEREFOR, in consideration of the foregoing and the mutual promises contained hereinafter, the parties hereto agree as follows:

I

1.2 (a) Premises: The Premises shall include 4022 Camino Ranchero #A for an additional 4,300 sf, for a total of 8,568 sf of leased premises.

1.2(b) Parking. Ten additional spaces for a total of 20.

1.3 Term: The term of the lease for 4022 Camino Ranchero A shall be for three years and three months, commencing April 1, 2014 (''Commencement Date") and ending June 30, 2017. The extended term for the existing space at 4014 Camino Ranchero A shall commence February 1, 2015 and end June 30, 2017. Lessee shall have the right to enter 4022 Camino Ranchero 4 weeks prior to Commencement Date for the purposes of installing their equipment, furniture, fixtures and all related cabling.

II

1.5 Base Rent:

existing	sf	12/1/13-1/31/14	2/1/14-1/31/15	2/1/15-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17
4014A	4268	$4,176	$4,302	$3,627	$3,713	$3,799
				$ 0.85	$ 0.87	$ 0.89

Expansion	sf		4/1/14-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17
4022A	4300		free	$3,655	$3,741	$3,827
				$ 0.85	$ 0.87	$ 0.89

III

1.7 Base rent and other Monies Paid Upon Execution:

(a) Base Rent: $3,655.00 for July 2014 for 4022 Camino Ranchero A.

(b) Common Area Operation Expenses: An additional $50 per month trash fee beginning April 1, 2014.

(e) Total Due upon Execution of this Second Amendment to Lease:

$3,655.00 for fourth month's rent and $3,655.00 security deposit. Total $7,310.00.

IV

57. Tenant Improvements: Tenant has the right to add lab and other improvements to 4022 Camino Ranchero #A. Tenant may competitively bid the construction with mutually approved non-union contractors and to select the contractor with Landlord's concurrence. All work shall be done by licensed and insured contractors and shall be done with all necessary permits. There shall be no charge for Landlord supervision or oversight. Tenant will not be required to remove any of the improvements at lease expiration and shall only be required to surrender the Premises "broom clean" with all improvements in good condition and operating order.

V

60.A. Option(s) to Extend: The one (1) thirty-six month option to extend shall now cover both units and shall have an annual fixed rate adjustment on 7/1/17, 7/1/18 and 7/1/19 of 103% of the previous rent.

VI

61.A. Rent Adjustments III: Fixed Rental Adjustments (FRA): See above. Schedule above shall supercede rent adjustment paragraph 61 in the lease.

VII

Right of First Refusal for Adjacent space:

Provided Tenant has complied with all the terms and conditions of the lease and is still in occupancy of the Premises, Tenant shall have an On Going Right of First Refusal to lease any space immediately adjacent to the Premises at the same terms and conditions of any bonafide written offer from a third party. Tenant shall have five (5) business days to notify Landlord of its intention to lease the space. If Tenant elects not to Lease such space Landlord may offer such space to third parties upon the same terms and conditions as contained in Landlord's prior written notification to Tenant.

If Landlord prepares to offer said space at an effective rental rate (inclusive of rental, Tenant Improvements, free rent, etc.) which is materially lower than that originally offered to Tenant, or if after one hundred and eighty (180) days Landlord has failed to execute a lease for the proposed space, Tenant's Right Of First Refusal shall be reinstated.

All other terms and conditions in the Lease not modified or deleted by this amendment shall remain in full force and effect.

This Second Amendment to Lease is executed on the dates indicated below.

LESSOR:

Howard California property Camarillo 5

By: /s/ Gary Brown
Gary Brown

Date: 1/3/14

LESSEE:

Coherus Biosciences, Inc.

By: /s/ Dennis M. Lanfear
Dennis M. Lanfear
President & CEO

By: /s/ George Montgomery
George Montgomery
Chief Financial Officer

Date 17 Dec 2013

Exhibit 10.10(a)

BIOGENERICS, INC.

2010 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of the BioGenerics, Inc. 2010 Equity Incentive Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Non-Qualified Stock Options, as determined by the Administrator at the time of grant. Stock Purchase Rights may also be granted under the Plan.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Acquisition" means and includes each of the following:

(i) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; provided, however, any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board shall not be deemed to be an Acquisition; or

(ii) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 2(a)(i) or Section 2(a)(iii)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(A) Which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a

result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(B) After which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; *provided, however,* that no person or group shall be treated for purposes of this Section 2(a)(iii)(B) as beneficially owning 50% or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; or

(iv) The Company's stockholders approve a liquidation or dissolution of the Company.

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether an Acquisition has occurred pursuant to the above definition, and the date of the occurrence of such Acquisition and any incidental matters relating thereto.

(b) "Administrator" means the Board or the Committee responsible for conducting the general administration of the Plan, as applicable, in accordance with Section 4 hereof.

(c) "Applicable Laws" means the requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Code" means the Internal Revenue Code of 1986, as amended, or any successor statute or statutes thereto. Reference to any particular Code section shall include any successor section.

(f) "Committee" means a committee appointed by the Board in accordance with Section 4 hereof.

(g) "Common Stock" means the common stock of the Company.

(h) "Company" means BioGenerics, Inc., a Delaware corporation.

(i) "Consultant" means any consultant or adviser if: (i) the consultant or adviser renders *bona fide* services to the Company or any Parent or Subsidiary of the Company; (ii) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (iii) the consultant or adviser is a natural person.

(j) "Director" means a member of the Board.

(k) "Disability" means total and permanent disability within the meaning of Section 22(e)(3) of the Code.

(l) "Employee" means any person, including an Officer or Director, who is an employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Parent or Subsidiary of the Company. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient, by itself, to constitute "employment" by the Company.

(m) "Equity Restructuring" shall mean a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per share value of the Common Stock underlying outstanding awards granted under the Plan.

(n) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto. Reference to any particular Exchange Act section shall include any successor section.

(o) "Fair Market Value" means, as of any date, the value of a share of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, its Fair Market Value shall be the closing sales price for a share of such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for such date, or if no bids or sales were reported for such date, then the closing sales price (or the closing bid, if no sales were reported) on the trading date immediately prior to such date during which a bid or sale occurred, in each case, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for a share of the Common Stock on such date, or if no closing bid and asked prices were reported for such date, the date immediately prior to such date during which closing bid and asked prices were quoted for such Common Stock, in each case, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(p) "Holder" means a person who has been granted or awarded an Option or Stock Purchase Right or who holds Shares acquired pursuant to the exercise of an Option or Stock Purchase Right.

(q) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and which is designated as an Incentive Stock Option by the Administrator.

(r) "Independent Director" means a Director who is not an Employee of the Company.

(s) "Non-Qualified Stock Option" means an Option (or portion thereof) that is not designated as an Incentive Stock Option by the Administrator, or which is designated as an Incentive Stock Option by the Administrator but fails to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(t) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(u) "Option" means a stock option granted pursuant to the Plan.

(v) "Option Agreement" means a written agreement between the Company and a Holder evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(w) "Parent" means any corporation (or other entity), whether now or hereafter existing (other than the Company), in an unbroken chain of corporations (or other entities) ending with the Company if each of the corporations (or other entities) other than the last corporation (or other entity) in the unbroken chain owns stock (or other equity interests) possessing more than fifty percent (50%) of the total combined voting power of all classes of stock (or other equity interests) in one of the other corporations (or other entities) in such chain.

(x) "Plan" means the BioGenerics, Inc. 2010 Equity Incentive Plan.

(y) "Public Trading Date" means the first date upon which Common Stock of the Company is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

(z) "Restricted Stock" means Shares acquired pursuant to the exercise of an unvested Option in accordance with Section 10(h) below or pursuant to a Stock Purchase Right granted under Section 12 below.

(aa) "Restricted Stock Purchase Agreement" means a written agreement between the Company and a Holder evidencing the terms and conditions of the Holder's purchase of Restricted Stock pursuant to the exercise of an unvested Option in accordance with Section 10(h) below or a Stock Purchase Right granted under Section 12 below.

(bb) "Rule 16b-3" means that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

(cc) "Section 16(b)" means Section 16(b) of the Exchange Act, as such Section may be amended from time to time.

(dd) "Securities Act" means the Securities Act of 1933, as amended, or any successor statute or statutes thereto. Reference to any particular Securities Act section shall include any successor section.

(ee) "Service Provider" means an Employee, Director or Consultant.

(ff) "Share" means a share of Common Stock, as adjusted in accordance with Section 13 below.

(gg) "Stock Purchase Right" means a right to purchase Common Stock pursuant to Section 12 below.

(hh) "Subsidiary" means any corporation (or other entity), whether now or hereafter existing (other than the Company), in an unbroken chain of corporations (or other entities) beginning with the Company if each of the corporations (or other entities) other than the last corporation (or other entity) in the unbroken chain owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations (or other entities) in such chain.

3. Stock Subject to the Plan. Subject to the provisions of Section 13 hereof, the shares of stock subject to Options or Stock Purchase Rights shall be Common Stock. Subject to the provisions of Section 13 hereof, the maximum aggregate number of Shares which may be issued upon exercise of such Options or Stock Purchase Rights is One Million Five Hundred Thousand (1,500,000) Shares. Shares issued upon exercise of Options or Stock Purchase Rights may be authorized but unissued, or reacquired Common Stock. If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares which are delivered by the Holder or withheld by the Company upon the exercise of an Option or Stock Purchase Right under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of this Section 3. If Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan (unless the Plan has terminated). Notwithstanding the provisions of this Section 3, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an Incentive Stock Option under Code Section 422.

4. Administration of the Plan.

(a) Administrator. Unless and until the Board delegates administration to a Committee as set forth below, the Plan shall be administered by the Board. The Board may delegate administration of the Plan to a Committee or Committees of one or more members of

the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in the Plan to the Board shall 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. Notwithstanding the foregoing, however, unless otherwise determined by the Board, from and after the Public Trading Date, a Committee of the Board shall administer the Plan and the Committee shall consist solely of two or more Independent Directors each of whom is an "outside director," within the meaning of Section 162(m) of the Code, a "non-employee director" within the meaning of Rule 16b-3, and qualifies as "independent" within the meaning of any applicable stock exchange listing requirements. Members of the Committee shall also satisfy any other legal requirements applicable to membership on the Committee, including requirements under the Sarbanes-Oxley Act of 2002 and other Applicable Laws. Within the scope of such authority, the Board or the Committee may (i) delegate to a committee of one or more members of the Board who are not Independent Directors the authority to grant awards under the Plan to eligible persons who are either (1) not then "covered employees," within the meaning of Section 162(m) of the Code and are not expected to be "covered employees" at the time of recognition of income resulting from such award or (2) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code and/or (ii) delegate to a committee of one or more members of the Board who are not "non-employee directors," within the meaning of Rule 16b-3, the authority to grant awards under the Plan to eligible persons who are not then subject to Section 16 of the Exchange Act. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may only be filled by the Board.

(b) Powers of the Administrator. Subject to the provisions of the Plan and the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its sole discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Options and Stock Purchase Rights may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each such award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any Option or Stock Purchase Right granted hereunder (such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or Stock Purchase Rights may vest or be exercised (which may be based on performance criteria), any vesting acceleration or waiver of

forfeiture restrictions, and any restriction or limitation regarding any Option or Stock Purchase Right or the Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine);

(vi) to determine whether to offer to buyout a previously granted Option as provided in Section 10(i) hereof and to determine the terms and conditions of such offer and buyout (including whether payment is to be made in cash or Shares);

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

(viii) to allow Holders to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Option or Stock Purchase Right that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld based on the statutory withholding rates for federal and state tax purposes that apply to supplemental taxable income. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Holders to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) to amend the Plan or any Option or Stock Purchase Right granted under the Plan as provided in Section 15 hereof; and

(x) to construe and interpret the terms of the Plan and awards granted pursuant to the Plan and to exercise such powers and perform such acts as the Administrator deems necessary or desirable to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Holders.

5. Eligibility. Non-Qualified Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Code Sections 424(e) or 424(f), respectively). If otherwise eligible, a Service Provider who has been granted an Option or Stock Purchase Right may be granted additional Options or Stock Purchase Rights.

6. Limitations.

(a) Each Option shall be designated by the Administrator in the Option Agreement as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designations, to the extent that the aggregate Fair Market Value of Shares subject to a Holder's Incentive Stock Options and other incentive stock options granted by the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Code Sections 424(e) or 424(f), respectively), which become exercisable for the first time during any calendar year (under all plans of the Company or any such parent or subsidiary) exceeds

$100,000, such excess Options or other options shall be treated as Non-Qualified Stock Options. If the Code is amended to provide for a different limitation from that set forth in the preceding sentence, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code.

For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant.

(b) Neither the Plan, any Option nor any Stock Purchase Right shall confer upon a Holder any right with respect to continuing the Holder's employment or consulting relationship with the Company, nor shall they interfere in any way with the Holder's right or the Company's right to terminate such employment or consulting relationship at any time, with or without cause.

(c) No Service Provider shall be granted, in any calendar year, Options or Stock Purchase Rights to purchase more than One Million Five Hundred Thousand (1,500,000) Shares; *provided, however,* that the foregoing limitation shall not apply prior to the Public Trading Date and, following the Public Trading Date, the foregoing limitation shall not apply until the earliest of: (i) the first material modification of the Plan (including any increase in the number of shares reserved for issuance under the Plan in accordance with Section 3 hereof); (ii) the issuance of all of the shares of Common Stock reserved for issuance under the Plan; (iii) the expiration of the Plan; (iv) the first meeting of stockholders at which Directors of the Company are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Exchange Act; or (v) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 13 hereof. For purposes of this Section 6(c), if an Option is canceled in the same calendar year it was granted (other than in connection with a transaction described in Section 13 hereof), the canceled Option will be counted against the limit set forth in this Section 6(c). For this purpose, if the exercise price of an Option is reduced, the transaction shall be treated as a cancellation of the Option and the grant of a new Option.

7. Term of Plan. The Plan shall become effective upon its initial adoption by the Board and shall continue in effect until it is terminated under Section 15 hereof. No Options or Stock Purchase Rights may be issued under the Plan after the tenth (10th) anniversary of the earlier of (a) the date upon which the Plan is adopted by the Board or (b) the date the Plan is approved by the stockholders.

8. Term of Option. The term of each Option shall be stated in the Option Agreement; *provided, however*, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Holder who, at the time the Option is granted, owns (or is treated as owning under Code Section 424) stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Code Sections 424(e) or 424(f), respectively), the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

9. Option Exercise Price and Consideration.

(a) Except as provided in Section 13 hereof, the per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time of grant of such Option, owns (or is treated as owning under Code Section 424) stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Code Sections 424(e) or 424(f), respectively), the per Share exercise price shall be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any other Employee, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, an Option may be granted with a per Share exercise price other than as required above if such Option is granted as an assumption of or in substitution for another option in connection with a merger or other corporate transaction.

(b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). Such consideration may consist of (1) cash, (2) check, (3) with the consent of the Administrator, a full recourse promissory note bearing interest (at no less than such rate as is a market rate of interest and which then precludes the imputation of interest under the Code), payable upon such terms as may be prescribed by the Administrator, and structured to comply with Applicable Laws, (4) with the consent of the Administrator, other Shares which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (5) with the consent of the Administrator, surrendered Shares then issuable upon exercise of the Option having a Fair Market Value on the date of exercise equal to the aggregate exercise price of the Option or exercised portion thereof, (6) with the consent of the Administrator, property of any kind which constitutes good and valuable consideration, (7) with the consent of the Administrator, delivery of a notice that the Holder has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Options and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price, *provided*, that payment of such proceeds is then made to the Company upon settlement of such sale, or (8) with the consent of the Administrator, any combination of the foregoing methods of payment.

10. Exercise of Option.

(a) Vesting; Fractional Exercises. Except as provided in Section 13 hereof, Options granted hereunder shall be vested and exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. An Option may not be exercised for a fraction of a Share.

(b) Deliveries upon Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, his or her office or such other authorized representative of the Company:

(i) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or such portion of the Option;

(ii) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Laws. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop transfer notices to agents and registrars;

(iii) Upon the exercise of all or a portion of an unvested Option pursuant to Section 10(h) hereof, a Restricted Stock Purchase Agreement in a form determined by the Administrator and signed by the Holder or other person then entitled to exercise the Option or such portion of the Option; and

(iv) In the event that the Option shall be exercised pursuant to Section 10(f) hereof by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option.

(c) Conditions to Delivery of Share Certificates. The Company shall not be required to issue or deliver any certificate or certificates for Shares purchased upon the exercise of any Option or portion thereof prior to fulfillment of all of the following conditions:

(i) The admission of such Shares to listing on all stock exchanges on which such class of stock is then listed;

(ii) The completion of any registration or other qualification of such Shares under any state or federal law, or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body which the Administrator shall, in its sole discretion, deem necessary or advisable;

(iii) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its sole discretion, determine to be necessary or advisable;

(iv) The lapse of such reasonable period of time following the exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience; and

(v) The receipt by the Company of full payment for such Shares, including payment of any applicable withholding tax, which in the sole discretion of the Administrator may be in the form of consideration used by the Holder to pay for such Shares under Section 9(b) hereof.

(d) Termination of Relationship as a Service Provider. If a Holder ceases to be a Service Provider other than by reason of the Holder's Disability or death, such Holder may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination; *provided*, *however*, that, prior to the Public Trading Date, to the extent required by Applicable Law, such period of time shall not be less than thirty (30) days (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months following the Holder's termination. If, on the date of termination, the Holder is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. If, after termination, the Holder does not exercise his or her Option within the time period specified, herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(e) Disability of Holder. If a Holder ceases to be a Service Provider as a result of the Holder's Disability, the Holder may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent the Option is vested on the date of termination; *provided*, *however*, that prior to the Public Trading Date, to the extent required by Applicable Law, such period of time shall not be less than six (6) months (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Holder's termination. If, on the date of termination, the Holder is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. If, after termination, the Holder does not exercise his or her Option within the time specified, herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(f) Death of Holder. If a Holder dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Option Agreement; provided, however, that prior to the Public Trading Date, to the extent required by Applicable Law, such period of time shall not be less than six (6) months (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement), by the Holder's estate or by a

person who acquires the right to exercise the Option by bequest or inheritance, but only to the extent that the Option is vested on the date of death. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Holder's termination. If, at the time of death, the Holder is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. The Option may be exercised by the executor or administrator of the Holder's estate or, if none, by the person(s) entitled to exercise the Option under the Holder's will or the laws of descent or distribution. If the Option is not so exercised within the time specified, herein, the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(g) Regulatory Extension. A Holder's Option Agreement may provide that if the exercise of the Option following the termination of the Holder's status as a Service Provider would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in Section 8 hereof or (ii) the expiration of a period of three (3) months after the termination of the Holder's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

(h) Early Exercisability. The Administrator may provide in the terms of a Holder's Option Agreement that the Holder may, at any time before the Holder's status as a Service Provider terminates, exercise the Option in whole or in part prior to the full vesting of the Option; *provided*, *however*, that subject to Section 19 hereof, Shares acquired upon exercise of an Option which has not fully vested may be subject to any forfeiture, transfer or other restrictions as the Administrator may determine in its sole discretion.

(i) Buyout Provisions. The Administrator may at any time offer to buyout for a payment in cash or Shares, an Option previously granted, based on such terms and conditions as the Administrator shall establish and communicate to the Holder at the time that such offer is made.

11. Non-Transferability of Options and Stock Purchase Rights. Options and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Holder, only by the Holder.

12. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with Options granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. The offer shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) Repurchase Right. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company the right to repurchase Shares acquired upon exercise of a Stock Purchase Right upon the termination of the purchaser's status as a Service Provider for any reason. Subject to Section 19 hereof, the purchase price for Shares repurchased by the Company pursuant to such repurchase right and the rate at which such repurchase right shall lapse shall be determined by the Administrator in its sole discretion, and shall be set forth in the Restricted Stock Purchase Agreement.

(c) Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(d) Rights as a Stockholder. Once the Stock Purchase Right is exercised, the purchaser shall have rights equivalent to those of a stockholder and shall be a stockholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 13 hereof.

13. Adjustments upon Changes in Capitalization, Merger or Asset Sale.

(a) In the event that the Administrator determines that other than an Equity Restructuring any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, in the Administrator's sole discretion, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Option, Stock Purchase Right or Restricted Stock, then the Administrator shall, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Options or Stock Purchase Rights may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 3 hereof on the maximum number and kind of shares which may be issued and adjustments of the maximum number of Shares that may be purchased by any Holder in any calendar year pursuant to Section 6(c) hereof);

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Options, Stock Purchase Rights or Restricted Stock; and

(iii) the grant or exercise price with respect to any Option or Stock Purchase Right.

(b) In the event of any transaction or event described in Section 13(a) hereof, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Option, Stock Purchase Right or Restricted Stock or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Holder's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Option, Stock Purchase Right or Restricted Stock granted or issued under the Plan or to facilitate such transaction or event:

(i) To provide for either the purchase of any such Option, Stock Purchase Right or Restricted Stock for an amount of cash equal to the amount that could have been obtained upon the exercise of such Option or Stock Purchase Right or realization of the Holder's rights had such Option, Stock Purchase Right or Restricted Stock been currently exercisable or payable or fully vested or the replacement of such Option, Stock Purchase Right or Restricted Stock with other rights or property selected by the Administrator in its sole discretion;

(ii) To provide that such Option or Stock Purchase Right shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Option or Stock Purchase Right;

(iii) To provide that such Option, Stock Purchase Right or Restricted Stock be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iv) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Options and Stock Purchase Rights, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Options, Stock Purchase Rights or Restricted Stock or Options, Stock Purchase Rights or Restricted Stock which may be granted in the future; and/or

(v) To provide that immediately upon the consummation of such event, such Option or Stock Purchase Right shall not be exercisable and shall terminate; *provided*, that for a specified period of time prior to such event, such Option or Stock Purchase Right shall be exercisable as to all Shares covered thereby, and the restrictions imposed under an Option Agreement or Restricted Stock Purchase Agreement upon some or all Shares may be terminated and, in the case of Restricted Stock, some or all shares of such Restricted Stock may cease to be subject to repurchase, notwithstanding anything to the contrary in the Plan or the provisions of such Option, Stock Purchase Right or Restricted Stock Purchase Agreement.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Section 13(a) and 13(b) hereof:

(i) The number and type of securities subject to each outstanding Option or Stock Purchase Right and the exercise price or grant price thereof, if applicable, will be proportionately adjusted. The adjustments provided under this Section 13(c)(i) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company.

(ii) The Administrator shall make such proportionate adjustments, if any, as the Administrator in its discretion may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3 hereof).

(d) If the Company undergoes an Acquisition, then any surviving corporation or entity or acquiring corporation or entity, or affiliate of such corporation or entity, may assume any Options or Stock Purchase Rights outstanding under the Plan or may substitute similar stock awards (including an award to acquire the same consideration paid to the stockholders in the transaction described in this Section 13(d)) for those outstanding under the Plan. In the event any surviving corporation or entity or acquiring corporation or entity in an Acquisition, or affiliate of such corporation or entity, does not assume such Options or Stock Purchase Rights or does not substitute similar stock awards for those outstanding under the Plan, then with respect to (i) Options or Stock Purchase Rights held by participants in the Plan whose status as a Service Provider has not terminated prior to such event, the vesting of such Options or Stock Purchase Rights (and, if applicable, the time during which such awards may be exercised) shall be accelerated and made fully exercisable and all restrictions thereon shall lapse at least ten (10) days prior to the closing of the Acquisition (and the Options or Stock Purchase Rights terminated if not exercised prior to the closing of such Acquisition) and (ii) any other Options or Stock Purchase Rights outstanding under the Plan, such Options and Stock Purchase Rights shall be terminated if not exercised prior to the closing of the Acquisition.

(e) Subject to Section 3 hereof, the Administrator may, in its sole discretion, include such further provisions and limitations in any Option, Stock Purchase Right, Restricted Stock Purchase Agreement or certificate, as it may deem equitable and in the best interests of the Company.

(f) The existence of the Plan, any Option Agreement or Restricted Stock Purchase Agreement and the Options or Stock Purchase Rights granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

14. Time of Granting Options and Stock Purchase Rights. The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such other date as is determined by the Administrator consistent with applicable legal requirements. Notice of the determination shall be given to each Service Provider to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

15. Amendment and Termination of the Plan.

(a) Amendment and Termination. Subject to the requirements of subsection (c), the Board may at any time wholly or partially amend, alter, suspend or terminate the Plan. However, without approval of the Company's stockholders given within twelve (12) months before or after the action by the Board, no action of the Board may, except as provided in Section 13 hereof, increase the limits imposed in Section 3 hereof on the maximum number of Shares which may be issued under the Plan or extend the term of the Plan under Section 7 hereof.

(b) Stockholder Approval. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan or any Option or Stock Purchase Right shall impair the rights of any Holder, unless mutually agreed otherwise between the Holder and the Administrator, which agreement must be in writing and signed by the Holder and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options, Stock Purchase Rights or Restricted Stock granted or awarded under the Plan prior to the date of such termination.

16. Stockholder Approval. The Plan will be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan. Options or Stock Purchase Rights may be granted prior to such stockholder approval, provided that such Options and Stock Purchase Rights shall not be exercisable, shall not vest and the restrictions thereon shall not lapse prior to the time when the Plan is approved by the stockholders, and provided further that if such approval has not been obtained at the end of said twelve-month period, all Options and Stock Purchase Rights previously granted under the Plan shall thereupon be canceled and become null and void.

17. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18. Reservation of Shares. The Company, during the term of the Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. Repurchase Provisions. The Administrator in its sole discretion may provide that the Company may repurchase Shares acquired upon exercise of an Option or Stock Purchase Right upon the occurrence of certain specified events, including, without limitation, a Holder's termination as a Service Provider, divorce, bankruptcy or insolvency; *provided*, *however*, that any such repurchase right shall be set forth in the applicable Option Agreement or Restricted Stock Purchase Agreement or in another agreement referred to in such agreement.

20. Rules Particular To Specific Countries.

(a) Generally. To the extent required by the Company, each Holder agrees that he or she shall enter into an election with the Company or a Subsidiary (in a form approved by the Company) under which any Tax Liability (as defined below) including, but not limited to, National Insurance Contributions ("NICs") and any Fringe Benefit Tax ("FBT"), is transferred to and met by the Plan participant. For purposes of this Section 20, Tax Liability shall mean any and all liability under non-U.S. applicable laws, rules or regulations, from any income tax, the Company's (or a Subsidiary's) NICs, FBT or similar liability and the Service Provider's NICs, FBT or similar non- U.S. law liability that are attributable to: (A) the grant, vesting or exercise of, or any other benefit derived by the Plan participant from an Option, Stock Purchase Right or Restricted Stock; (B) the acquisition by the Plan participant of the Shares on exercise of an Option or the acquisition by the Plan participant of the Shares pursuant to a Stock Purchase Right; or (C) the disposal of any Shares acquired by the Plan participant pursuant to an Option or a Stock Purchase Right granted under the Plan.

(b) Addendum. Notwithstanding anything herein to the contrary, the terms and conditions of the Plan with respect to Service Providers who are tax residents of a particular country other than the United States may be subject to an addendum to the Plan in the form of an Appendix. To the extent that the terms and conditions set forth in an Appendix conflict with any provisions of the Plan, the provisions of the Appendix shall govern. The adoption of any such Appendix shall be pursuant to Section 15 above.

21. Investment Intent. The Company may require a Plan participant, as a condition of exercising or acquiring stock under any Option or Stock Purchase Right, (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 he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option or Stock Purchase Right; and (ii) to give written assurances satisfactory to the Company stating that the participant is acquiring the stock subject to the Option or Stock Purchase Right for the participant's own account and not with any present intention of selling or otherwise distributing the stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (A) the issuance of the shares upon the exercise or acquisition of stock under the applicable Option or Stock Purchase Right 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 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 stock.

22. Section 409A. To the extent that the Administrator determines that any Option, Stock Purchase Right or Restricted Stock granted or awarded under the Plan is subject to Section 409A of the Code, the agreement evidencing such Option, Stock Purchase Right or Restricted Stock shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the agreement evidencing such option, Stock Purchase Right or Restricted Stock shall be interpreted in accordance with Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan to the contrary, in the event that the Administrator determines that any Option, Stock Purchase Right or Restricted Stock may be subject to Section 409A of the Code and related Department of Treasury regulations and other interpretive guidance issued thereunder, the Administrator may adopt such amendments to the Plan and the applicable agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Option, Stock Purchase Right or Restricted Stock from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Option, Stock Purchase Right or Restricted Stock, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury regulations and other interpretive guidance thereunder and thereby avoid the application of any penalty taxes under such Section.

23. Governing Law. The validity and enforceability of the Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to otherwise governing principles of conflicts of law.

AMENDMENT

TO THE BIOGENERICS, INC.

2010 EQUITY INCENTIVE PLAN

Pursuant to the authority reserved to the Board of Directors (the "**Board**") of BioGenerics, Inc., a corporation organized under the laws of State of Delaware (the "**Company**"), under Section 15 of the Company's 2010 Equity Incentive Plan (as amended, the "**Plan**"), the Board hereby amends the Plan as follows.

1. Section 3 of the Plan is hereby amended to read in its entirety as follows:

"3. **Stock Subject to the Plan.** Subject to the provisions of Section 13 hereof, the shares of stock subject to Options or Stock Purchase Rights shall be Common Stock. Subject to the provisions of Section 13 hereof, the maximum aggregate number of Shares which may be issued upon exercise of such Options or Stock Purchase Rights is Four Million One Hundred Eighty Five Thousand Two Hundred Twenty Four (4,185,224) Shares. Shares issued upon exercise of Options or Stock Purchase Rights may be authorized but unissued, or reacquired Common Stock. If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares which are delivered by the Holder or withheld by the Company upon the exercise of an Option or Stock Purchase Right under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of this Section 3. If Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan (unless the Plan has terminated). Notwithstanding the provisions of this Section 3, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an Incentive Stock Option under Code Section 422."

*** * * * ***

I hereby certify that the foregoing Amendment to the Plan was duly adopted by the Company's Board of Directors effective as of January 23, 2012.

I hereby further certify that the foregoing Amendment to the Plan was duly adopted by the Company's stockholders effective as of January 23, 2012.

Executed as of the 23rd day of January, 2012.

/s/ Alan C. Mendelson
Alan C. Mendelson, *Secretary*

SIGNATURE PAGE TO THE AMENDMENT TO THE BIOGENERICS, INC. 2010 EQUITY INCENTIVE PLAN

AMENDMENT

TO THE COHERUS BIOSCIENCES, INC.

2010 EQUITY INCENTIVE PLAN

Pursuant to the authority reserved to the Board of Directors (the "**Board**") of Coherus BioSciences, Inc., a corporation organized under the laws of State of Delaware (the "**Company**"), under Section 15 of the Company's 2010 Equity Incentive Plan (as amended, the "**Plan**"), the Board hereby amends the Plan as follows.

1. Section 3 of the Plan is hereby amended to read in its entirety as follows:

"3. **Stock Subject to the Plan.** Subject to the provisions of Section 13 hereof, the shares of stock subject to Options or Stock Purchase Rights shall be Common Stock. Subject to the provisions of Section 13 hereof, the maximum aggregate number of Shares which may be issued upon exercise of such Options or Stock Purchase Rights is Six Million Eight Hundred Thirty Thousand Thirty-Six (6,830,036) Shares. Shares issued upon exercise of Options or Stock Purchase Rights may be authorized but unissued, or reacquired Common Stock. If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares which are delivered by the Holder or withheld by the Company upon the exercise of an Option or Stock Purchase Right under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of this Section 3. If Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan (unless the Plan has terminated). Notwithstanding the provisions of this Section 3, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an Incentive Stock Option under Code Section 422."

*** * * * ***

I hereby certify that the foregoing Amendment to the Plan was duly adopted by the Company's Board of Directors effective as of July 12, 2013.

I hereby further certify that the foregoing Amendment to the Plan was duly adopted by the Company's stockholders effective as of July 12, 2013.

Executed on this 12th day of July, 2013.

/s/ Alan C. Mendelson
Alan C. Mendelson, *Secretary*

AMENDMENT

TO THE COHERUS BIOSCIENCES, INC.

2010 EQUITY INCENTIVE PLAN

Pursuant to the authority reserved to the Board of Directors (the "**Board**") of Coherus BioSciences, Inc., a corporation organized under the laws of State of Delaware (the "**Company**"), under Section 15 of the Company's 2010 Equity Incentive Plan (as amended, the "**Plan**"), the Board hereby amends the Plan as follows.

1. Section 3 of the Plan is hereby amended to read in its entirety as follows:

"3. **Stock Subject to the Plan**. Subject to the provisions of Section 13 hereof, the shares of stock subject to Options or Stock Purchase Rights shall be Common Stock. Subject to the provisions of Section 13 hereof, the maximum aggregate number of Shares which may be issued upon exercise of such Options or Stock Purchase Rights is Ten Million Three Hundred Thirty Thousand Thirty Six (10,330,036) Shares. Shares issued upon exercise of Options or Stock Purchase Rights may be authorized but unissued, or reacquired Common Stock. If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares which are delivered by the Holder or withheld by the Company upon the exercise of an Option or Stock Purchase Right under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of this Section 3. If Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan (unless the Plan has terminated). Notwithstanding the provisions of this Section 3, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an Incentive Stock Option under Code Section 422."

*** * * * ***

I hereby certify that the foregoing Amendment to the Plan was duly adopted by the Company's Board of Directors effective as of March 18, 2014.

I hereby further certify that the foregoing Amendment to the Plan was duly adopted by the Company's stockholders effective as of March 27, 2014.

Executed on this 27th day of March, 2014.

/s/ Alan C. Mendelson
Alan C. Mendelson, *Secretary*

SIGNATURE PAGE TO THE AMENDMENT TO THE COHERUS BIOSCIENCES, INC. 2010 EQUITY INCENTIVE PLAN

COHERUS BIOSCIENCES INC.

2010 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

Pursuant to its 2010 Equity Incentive Plan, as amended from time to time (the "Plan"), Coherus BioSciences Inc., a Delaware corporation (the "Company"), hereby grants to the Optionee listed below ("Optionee"), an option to purchase the number of shares of the Company's Common Stock set forth below, subject to the terms and conditions of the Plan and this Stock Option Agreement (this "Option Agreement"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

I. NOTICE OF STOCK OPTION GRANT

Optionee:

Date of Option Agreement:

Date of Grant:

Vesting Start Date:

Exercise Price per Share: $

Total Number of Shares Granted:

Total Exercise Price: $

Term/Expiration Date:

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

Vesting Schedule: The Shares subject to this Option shall vest according to the following schedule:

Twenty-five percent (25%) of the total number of Shares subject to the Option (rounded down to the next whole number of shares) shall vest and become exercisable on the first anniversary of the Vesting Start Date and 1/48th of the Shares subject to the Option shall vest and become exercisable monthly thereafter so that one hundred percent (100%) of the Shares subject to the Option are vested and exercisable on the fourth anniversary of the Vesting Start Date, subject to the Optionee remaining a Service Provider through each such vesting date (unless otherwise determined by the Administrator).

Termination Period: This Option may be exercised, to the extent vested, for three (3) months after Optionee ceases to be a Service Provider, or such longer period as may be applicable upon the death or Disability of Optionee as provided herein (or, if not provided herein, then as provided in the Plan), but in no event later than the Term/Expiration Date as set forth above.

II. AGREEMENT

1. Grant of Option. The Company hereby grants to the Optionee an Option to purchase the number of shares of Common Stock (the "Shares") set forth in the Notice of Grant, at the exercise price per share set forth in the Notice of Grant (the "Exercise Price"). Notwithstanding anything to the contrary anywhere else in this Option Agreement, this grant of an Option is subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference.

If designated in the Notice of Grant as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code; provided, however, that to the extent that the aggregate Fair Market Value of the Common Stock with respect to which Incentive Stock Options (within the meaning of Code Section 422, but without regard to Code Section 422(d)), including the Option, are exercisable for the first time by Optionee during any calendar year (under the Plan and all other incentive stock option plans of the Company (or any "parent corporation" or "subsidiary corporation" thereof within the meaning of Code Sections 424(e) or 424(f), respectively)) exceeds $100,000, such options shall be treated as not qualifying under Code Section 422, but rather shall be treated as Non-Qualified Stock Options to the extent required by Code Section 422. The rule set forth in the preceding sentence shall be applied by taking options into account in the order in which they were granted. For purposes of these rules, the Fair Market Value of the Common Stock shall be determined as of the time the option with respect to such stock is granted.

2. Exercise of Option. This Option is exercisable as follows:

(a) Right to Exercise.

(i) This Option shall be exercisable cumulatively according to the vesting schedule set out in the Notice of Grant. For purposes of this Option Agreement, Shares subject to this Option shall vest based on Optionee's continued status as a Service Provider, unless otherwise determined by the Administrator.

(ii) This Option may not be exercised for a fraction of a Share.

(iii) In the event of Optionee's death, Disability or other termination of the Optionee's status as a Service Provider, the exercisability of the Option shall be governed by Sections 7, 8 and 9 hereof.

(iv) In the event the exercise of the Option following the termination of the Optionee's status as a Service Provider would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), then the Option shall terminate on the earlier of (i) the Term/Expiration Date of the Option as set forth in the Notice of Grant or (ii) the expiration of a period of three (3) months after the termination of the Optionee's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

(v) In no event may this Option be exercised after the Term/Expiration Date of this Option as set forth in the Notice of Grant.

(b) Method of Exercise. This Option shall be exercisable by written notice to the Company (in the form attached as Exhibit A) (the "Exercise Notice"). The Exercise Notice shall state the number of Shares for which the Option is being exercised, and such other representations and agreements with respect to such Shares of Common Stock as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be signed by Optionee and shall be delivered in person or by certified mail to the Secretary of the Company or such other authorized representative of the Company. The Exercise Notice shall be accompanied by payment of the Exercise Price, including payment of any applicable withholding tax.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with all relevant provisions of law and the requirements of any stock exchange upon which the Shares may then be listed. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

3. Optionee's Representations. If the Shares purchasable pursuant to the exercise of this Option have not been registered under the Securities Act, at the time this Option is exercised, Optionee shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Optionee hereby agrees that if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Securities Act, Optionee shall not sell or otherwise transfer any Shares or other securities of the Company during the 180-day period (or such longer period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "Market Standoff Period") following the effective date of a registration statement of the Company filed under the Securities Act; provided, however, that such restriction shall apply only to the first registration statement of the Company to become effective under the Securities Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period and these restrictions shall be binding on any transferee of such Shares. Notwithstanding the foregoing, the 180-day period may be extended for up to such number of additional days as is deemed necessary by the Company or the Managing Underwriter to continue coverage by research analysts in accordance with FINRA Rule 2711 or any successor rule.

5. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash;

(b) check;

(c) with the consent of the Administrator, a full recourse promissory note bearing interest (at no less than such rate as is a market rate of interest and which then precludes the imputation of interest under the Code), payable upon such terms as may be prescribed by the Administrator and structured to comply with Applicable Laws;

(d) with the consent of the Administrator, surrender of other Shares of Common Stock of the Company which have a Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised;

(e) with the consent of the Administrator, surrendered Shares issuable upon the exercise of the Option having a Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Option or exercised portion thereof;

(f) with the consent of the Administrator, property of any kind which constitutes good and valuable consideration;

(g) following the Public Trading Date, with the consent of the Administrator, delivery of a notice that the Optionee has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate Exercise Price; provided, that payment of such proceeds is then made to the Company upon settlement of such sale; or

(h) with the consent of the Administrator, any combination of the foregoing methods of payment.

6. Restrictions on Exercise. This Option may not be exercised until the Plan has been approved by the stockholders of the Company. If the issuance of Shares upon such exercise or if the method of payment for such Shares would constitute a violation of any applicable federal or state securities or other law or regulation, then the Option may also not be exercised. The Company may require Optionee to make any representation and warranty to the Company as may be required by any applicable law or regulation before allowing the Option to be exercised.

7. Termination of Relationship. If Optionee ceases to be a Service Provider (other than by reason of Optionee's death or Disability), Optionee may exercise this Option during the Termination Period set out in the Notice of Grant, to the extent the Option was vested on the date on which Optionee ceases to be a Service Provider. To the extent that the Option is not vested on the date on which Optionee ceases to be a Service Provider, or if Optionee does not exercise this Option within the time specified herein, the Option shall terminate.

8. Disability of Optionee. If Optionee ceases to be a Service Provider as a result of his or her Disability, Optionee may exercise the Option to the extent the Option was vested at the date on which Optionee ceases to be a Service Provider, but only within twelve (12) months from such date (and in no event later than the expiration date of the term of this Option as set

forth in the Notice of Grant). To the extent that the Option is not vested at the date on which Optionee ceases to be a Service Provider, or if Optionee does not exercise such Option within the time specified herein, the Option shall terminate.

9. Death of Optionee. If Optionee ceases to be a Service Provider as a result of the death of Optionee, the vested portion of the Option may be exercised at any time within twelve (12) months following the date of death (and in no event later than the expiration date of the term of this Option as set forth in the Notice of Grant) by Optionee's estate or by a person who acquires the right to exercise the Option by bequest or inheritance. To the extent that the Option is not vested on the date of death, or if the Option is not exercised within the time specified herein, the Option shall terminate.

10. Non-Transferability of Option. This Option may not be transferred in any manner except by will or by the laws of descent or distribution. It may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

11. Term of Option. This Option may be exercised only within the term set out in the Notice of Grant.

12. Restrictions on Shares. Optionee hereby agrees that Shares purchased upon the exercise of the Option shall be subject to such terms and conditions as the Administrator shall determine in its sole discretion, including, without limitation, restrictions on the transferability of Shares, and a right of first refusal in favor of the Company with respect to permitted transfers of Shares. Such terms and conditions may, in the Administrator's sole discretion, be contained in the Exercise Notice with respect to the Option or in such other agreement as the Administrator shall determine and which the Optionee hereby agrees to enter into at the request of the Company.

13. Rules Particular To Specific Countries.

(a) Generally. Optionee shall, if required by the Administrator, enter into an election with the Company or a Subsidiary (in a form approved by the Company) under which any liability to the Company's (or a Subsidiary's) Tax Liability, including, but not limited to, National Insurance Contributions ("NICs") and the Fringe Benefit Tax ("FBT"), is transferred to and met by Optionee. For purposes of this Section 13, Tax Liability shall mean any and all liability under non-U.S. applicable laws, rules or regulations from any income tax, the Company's (or a Subsidiary's) NICs, FBT or similar liability and the Optionee's NICs, FBT or similar liability that are attributable to: (A) the grant or exercise of, or any other benefit derived by the Optionee from the Option; (B) the acquisition by Optionee of the Shares on exercise of the Option; or (C) the disposal of any Shares acquired upon exercise of the Option.

(b) Tax Indemnity. Optionee shall indemnify and keep indemnified the Company and any of its Subsidiaries from and against any Tax Liability.

(*Signature Page Follows*)

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one document.

COHERUS BIOSCIENCES INC.

By: _____

Dennis M. Lanfear
President and Chief Executive Officer

OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE OPTION HEREOF IS EARNED ONLY BY CONTINUING CONSULTANCY OR EMPLOYMENT AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE COMPANY'S 2010 EQUITY INCENTIVE PLAN, AS AMENDED FROM TIME TO TIME, WHICH IS INCORPORATED HEREIN BY REFERENCE, SHALL CONFER UPON OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT OR CONSULTANCY BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S EMPLOYMENT OR CONSULTANCY AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.

Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof. Optionee hereby accepts this Option subject to all of the terms and provisions hereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Optionee further agrees to notify the Company upon any change in the residence address indicated below.

Dated:

_____

«Optionee»

Residence Address:

«Address»

EXHIBIT A

COHERUS BIOSCIENCES INC.

2010 EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Coherus BioSciences Inc.
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065
Attention: Stock Administration

14. Exercise of Option. Effective as of today, , , the undersigned ("Optionee") hereby elects to exercise Optionee's option to purchase shares of the Common Stock (the "Shares") of Coherus BioSciences Inc., a Delaware corporation (the "Company"), under and pursuant to the Coherus BioSciences Inc. 2010 Equity Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Agreement dated «Date_of_Stock_Option_Agreement» (the "Option Agreement"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Date of Grant:		«Date_of_Grant»
Number of Shares as to which Option is Exercised:		_____
Exercise Price per Share:		$«Exercise_Price_per_share»
Total Exercise Price:		$
Certificate to be issued in name of:		_____
Cash Payment delivered herewith:	☐	$
Other form of consideration delivered herewith (only if approved by the Administrator):	☐	Form of Consideration: $

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

15. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

16. Rights as Stockholder. Until the stock certificate evidencing Shares purchased pursuant to the exercise of the Option is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to Shares subject to the Option, notwithstanding the exercise of the Option. The Company shall issue (or cause to be

issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 13 of the Plan.

Optionee shall enjoy rights as a stockholder until such time as Optionee disposes of the Shares or the Company and/or its assignee(s) exercises the Right of First Refusal (as defined below) hereunder. Upon such exercise, Optionee shall have no further rights as a holder of the Shares so purchased except the right to receive payment for the Shares so purchased in accordance with the provisions of this Agreement, and Optionee shall forthwith cause the certificate(s) evidencing the Shares so purchased to be surrendered to the Company for transfer or cancellation.

17. Optionee's Rights to Transfer Shares.

(a) Company's Right of First Refusal. Before any Shares held by Optionee or any permitted transferee (each, a "Holder") may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a "Transfer"), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares proposed to be Transferred on the terms and conditions set forth in this Section 4 (the "Right of First Refusal").

(i) Notice of Proposed Transfer. In the event any Holder desires to Transfer any Shares, the Holder shall deliver to the Company a written notice (the "Notice") stating: (w) the Holder's bona fide intention to sell or otherwise Transfer such Shares; (x) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (y) the number of Shares to be Transferred to each Proposed Transferee; and (z) the bona fide cash price or other consideration for which the Holder proposes to Transfer the Shares (the "Offered Price"), and the Holder shall offer such Shares at the Offered Price to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. Within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the Shares proposed to be Transferred to any one or more of the Proposed Transferees. The purchase price shall be determined in accordance with Section 4(a)(iii) hereof.

(iii) Purchase Price. The purchase price ("Purchase Price") for the Shares repurchased under this Section 4 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(iv) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company and the Holder.

(v) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 4, then the Holder may sell or otherwise Transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other Transfer is

consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other Transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 4 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not Transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal as provided herein before any Shares held by the Holder may be sold or otherwise Transferred.

(b) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 4 notwithstanding, the Transfer of any or all of the Shares during the Optionee's lifetime or upon the Optionee's death by will or intestacy to the Optionee's Immediate Family or a trust for the benefit of the Optionee's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "Immediate Family" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the Shares so Transferred subject to the provisions of this Section 4 (including the Right of First Refusal) and there shall be no further Transfer of such Shares except in accordance with the terms of this Section 4.

(c) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to all Shares upon a sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (a "Public Offering").

18. Transfer Restrictions. Any transfer or sale of the Shares is subject to restrictions on transfer imposed by any applicable state and federal securities laws. Any Transfer or attempted Transfer of any of the Shares not in accordance with the terms of this Agreement, including the Right of First Refusal provided in this Agreement, shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

19. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

20. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED,

PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND RIGHT OF FIRST REFUSAL OPTIONS HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

21. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

22. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or by the Company forthwith to the Company's Board of Directors or committee thereof that is responsible for the administration of the Plan (the "Administrator"), which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on Optionee.

23. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

24. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

25. Further Instruments. The Optionee hereby agrees to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement including, without limitation, the Investment Representation Statement in the form attached to the Option Agreement as Exhibit B.

26. Delivery of Payment. The Optionee herewith delivers to the Company the full Exercise Price for the Shares, as well as any applicable withholding tax.

27. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Agreement, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

Accepted by:

COHERUS BIOSCIENCES INC.

By: _____
Dennis M. Lanfear
President and Chief Executive Officer

Address:
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065

Submitted by:

OPTIONEE

_____
«Optionee»

Address:
«Address»

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

OPTIONEE	:	«Optionee»
COMPANY	:	Coherus BioSciences Inc.
SECURITY	:	Common Stock
AMOUNT	:	
DATE	:	

In connection with the purchase of the above-listed shares of Common Stock (the "Securities") of Coherus BioSciences Inc., a Delaware corporation (the "Company"), the undersigned (the "Optionee") represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's 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 of 1933, as amended (the "Securities Act").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable securities laws or agreements.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, 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 the grant of the Option to Optionee, the exercise 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, as amended (the "Exchange Act"), ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as this term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

«Optionee»

Date: ,

COHERUS BIOSCIENCES, INC.

2010 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

Early Exercise Permitted

Pursuant to its 2010 Equity Incentive Plan, as amended from time to time (the "Plan"), Coherus BioSciences, Inc., a Delaware corporation (the "Company"), hereby grants to the Optionee listed below ("Optionee"), an option to purchase the number of shares of the Company's Common Stock set forth below, subject to the terms and conditions of the Plan and this Stock Option Agreement (this "Option Agreement"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

I. NOTICE OF STOCK OPTION GRANT

Optionee:	_____
Date of Option Agreement:	_____
Date of Grant:	_____
Vesting Start Date:	_____
Exercise Price per Share:	_____
Total Number of Shares Granted:	_____
Total Exercise Price:	_____
Term/Expiration Date:	_____
Type of Option:	Non-Qualified Stock Option
Exercise Schedule:	☐ Same as Vesting Schedule ☒ Early Exercise Permitted
Vesting Schedule:	This Option is exercisable immediately, in whole or in part, at such times as are established by the Administrator, conditioned upon Optionee entering into a Restricted Stock Purchase Agreement with respect to any unvested Shares. The Shares subject to this Option shall vest and/or be released from the Company's Repurchase Option, as set forth in the Restricted Stock Purchase Agreement attached hereto as Exhibit C-1, according to the following schedule: Twenty-five percent (25%) of the Shares subject to the Option (rounded down to the next whole number of shares) shall vest on the first anniversary of the Vesting Start Date and 1/48th of the Shares subject to the Option shall vest monthly thereafter so that one hundred percent (100%) of the Shares subject to the Option are vested on the fourth anniversary of the Vesting Start Date, subject to the Optionee remaining a Service Provider through each such vesting date (unless otherwise determined by the Administrator).

Termination Period:	This Option may be exercised, to the extent vested, for three (3) months after Optionee ceases to be a Service Provider, or such longer period as may be applicable upon the death or Disability of Optionee as provided herein (or, if not provided herein, then as provided in the Plan), but in no event later than the Term/Expiration Date as set forth above.

II. AGREEMENT

1. Grant of Option. The Company hereby grants to the Optionee an Option to purchase the number of shares of Common Stock (the "Shares") set forth in the Notice of Grant, at the exercise price per share set forth in the Notice of Grant (the "Exercise Price"). Notwithstanding anything to the contrary anywhere else in this Option Agreement, this grant of an Option is subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference.

2. Exercise of Option. This Option is exercisable as follows:

(a) Right to Exercise.

(i) This Option shall be exercisable cumulatively according to the vesting schedule set out in the Notice of Grant. Alternatively, at the election of the Optionee, and as provided herein, this Option may be exercised in whole or in part at such times as are established by the Administrator as to Shares which have not yet vested. For purposes of this Option Agreement, Shares subject to this Option shall vest based on Optionee's continued status as a Service Provider, unless otherwise determined by the Administrator. Vested Shares shall not be subject to the Company's Repurchase Option (as set forth in the Restricted Stock Purchase Agreement).

(ii) As a condition to exercising this Option for unvested Shares, the Optionee shall execute the Restricted Stock Purchase Agreement.

(iii) This Option may not be exercised for a fraction of a Share.

(iv) In the event of Optionee's death, Disability or other termination of the Optionee's status as a Service Provider, the exercisability of the Option shall be governed by Sections 7, 8 and 9 hereof.

(v) In the event the exercise of the Option following the termination of the Optionee's status as a Service Provider would be prohibited at any time solely because the issuance of shares would violate the registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), then the Option shall terminate on the earlier of (i) the Term/Expiration Date of the Option as set forth in the Notice of Grant or (ii) the expiration of a period of three (3) months after the termination of the Optionee's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

(vi) In no event may this Option be exercised after the Term/Expiration Date of this Option as set forth in the Notice of Grant.

(b) Method of Exercise. This Option shall be exercisable by written notice to the Company (in the form attached as Exhibit A) (the "Exercise Notice"). The Exercise Notice shall state the number of Shares for which the Option is being exercised, and such other representations and agreements with respect to such Shares of Common Stock as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be signed by Optionee and, together with an executed copy of the Restricted Stock Purchase Agreement, if applicable, shall be delivered in person or by certified mail to the Secretary of the Company or such other authorized representative of the Company. The Exercise Notice and Restricted Stock Purchase Agreement shall be accompanied by payment of the Exercise Price, including payment of any applicable withholding tax.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with all relevant provisions of law and the requirements of any stock exchange upon which the Shares may then be listed. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

3. Optionee's Representations. If the Shares purchasable pursuant to the exercise of this Option have not been registered under the Securities Act, at the time this Option is exercised, Optionee shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Optionee hereby agrees that if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Securities Act, Optionee shall not sell or otherwise transfer any Shares or other securities of the Company during the 180-day period (or such longer period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "Market Standoff Period") following the effective date of a registration statement of the Company filed under the Securities Act; provided, however, that such restriction shall apply only to the first registration statement of the Company to become effective under the Securities Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period and these restrictions shall be binding on any transferee of such Shares. Notwithstanding the foregoing, the 180-day period may be extended for up to such number of additional days as is deemed necessary by the Company or the Managing Underwriter to continue coverage by research analysts in accordance with FINRA Rule 2711 or any successor rule.

5. Method of Payment. Payment of the Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash;

(b) check;

(c) with the consent of the Administrator, a full recourse promissory note bearing interest (at no less than such rate as is a market rate of interest and which then precludes the imputation of interest under the Code), payable upon such terms as may be prescribed by the Administrator and structured to comply with Applicable Laws;

(d) with the consent of the Administrator, surrender of other Shares of Common Stock of the Company which have a Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised;

(e) with the consent of the Administrator, surrendered Shares issuable upon the exercise of the Option having a Fair Market Value on the date of exercise equal to the aggregate Exercise Price of the Option or exercised portion thereof;

(f) with the consent of the Administrator, property of any kind which constitutes good and valuable consideration;

(g) following the Public Trading Date, with the consent of the Administrator, delivery of a notice that the Optionee has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate Exercise Price; provided, that payment of such proceeds is then made to the Company upon settlement of such sale; or

(h) with the consent of the Administrator, any combination of the foregoing methods of payment.

6. Restrictions on Exercise. This Option may not be exercised until the Plan has been approved by the stockholders of the Company. If the issuance of Shares upon such exercise or if the method of payment for such Shares would constitute a violation of any applicable federal or state securities or other law or regulation, then the Option may also not be exercised. The Company may require Optionee to make any representation and warranty to the Company as may be required by any applicable law or regulation before allowing the Option to be exercised.

7. Termination of Relationship. If Optionee ceases to be a Service Provider (other than by reason of Optionee's death or Disability), Optionee may exercise this Option during the Termination Period set out in the Notice of Grant, to the extent the Option was vested on the date on which Optionee ceases to be a Service Provider. To the extent that the Option is not vested on the date on which Optionee ceases to be a Service Provider, or if Optionee does not exercise this Option within the time specified herein, the Option shall terminate.

8. Disability of Optionee. If Optionee ceases to be a Service Provider as a result of his or her Disability, Optionee may exercise the Option to the extent the Option was vested at the date on which Optionee ceases to be a Service Provider, but only within twelve (12) months from such date (and in no event later than the expiration date of the term of this Option as set forth in the Notice of Grant). To the extent that the Option is not vested at the date on which Optionee ceases to be a Service Provider, or if Optionee does not exercise such Option within the time specified herein, the Option shall terminate.

9. Death of Optionee. If Optionee ceases to be a Service Provider as a result of the death of Optionee, the vested portion of the Option may be exercised at any time within twelve (12) months following the date of death (and in no event later than the expiration date of the term of this Option as set forth in the Notice of Grant) by Optionee's estate or by a person who acquires the right to exercise the Option by bequest or inheritance. To the extent that the Option is not vested on the date of death, or if the Option is not exercised within the time specified herein, the Option shall terminate.

10. Non-Transferability of Option. This Option may not be transferred in any manner except by will or by the laws of descent or distribution. It may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

11. Term of Option. This Option may be exercised only within the term set out in the Notice of Grant.

12. Restrictions on Shares. Optionee hereby agrees that Shares purchased upon the exercise of the Option shall be subject to such terms and conditions as the Administrator shall determine in its sole discretion, including, without limitation, restrictions on the transferability of Shares, the right of the Company to repurchase Shares, and a right of first refusal in favor of the Company with respect to permitted transfers of Shares. Such terms and conditions may, in the Administrator's sole discretion, be contained in the Exercise Notice with respect to the Option or in such other agreement as the Administrator shall determine and which the Optionee hereby agrees to enter into at the request of the Company.

13. Rules Particular To Specific Countries.

(a) Generally. Optionee shall, if required by the Administrator, enter into an election with the Company or a Subsidiary (in a form approved by the Company) under which any liability to the Company's (or a Subsidiary's) Tax Liability, including, but not limited to, National Insurance Contributions ("NICs") and the Fringe Benefit Tax ("FBT"), is transferred to and met by Optionee. For purposes of this Section 13, Tax Liability shall mean any and all liability under non-U.S. applicable laws, rules or regulations from any income tax, the Company's (or a Subsidiary's) NICs, FBT or similar liability and the Optionee's NICs, FBT or similar liability that are attributable to: (A) the grant or exercise of, or any other benefit derived by the Optionee from the Option; (B) the acquisition by Optionee of the Shares on exercise of the Option; or (C) the disposal of any Shares acquired upon exercise of the Option.

(b) Tax Indemnity. Optionee shall indemnify and keep indemnified the Company and any of its Subsidiaries from and against any Tax Liability.

(*Signature Page Follows*)

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one document.

COHERUS BIOSCIENCES, INC.

By: _____

Dennis M. Lanfear
President and Chief Executive Officer

OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE OPTION HEREOF IS EARNED ONLY BY CONTINUING CONSULTANCY OR EMPLOYMENT AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE COMPANY'S 2010 EQUITY INCENTIVE PLAN, AS AMENDED FROM TIME TO TIME, WHICH IS INCORPORATED HEREIN BY REFERENCE, SHALL CONFER UPON OPTIONEE ANY RIGHT WITH RESPECT TO CONTINUATION OF EMPLOYMENT OR CONSULTANCY BY THE COMPANY, NOR SHALL IT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE OPTIONEE'S EMPLOYMENT OR CONSULTANCY AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.

Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof. Optionee hereby accepts this Option subject to all of the terms and provisions hereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Optionee further agrees to notify the Company upon any change in the residence address indicated below.

Dated:

_____

OPTIONEE

Residence Address:

_____

_____

EXHIBIT A

COHERUS BIOSCIENCES, INC.

2010 EQUITY INCENTIVE PLAN

EXERCISE NOTICE

Coherus BioSciences, Inc.
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065

Attention: Stock Administration

14. Exercise of Option. Effective as of today, , , the undersigned ("Optionee") hereby elects to exercise Optionee's option to purchase shares of the Common Stock (the "Shares") of Coherus BioSciences, Inc., a Delaware corporation (the "Company"), under and pursuant to the Coherus BioSciences, Inc. 2010 Equity Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Agreement dated (the "Option Agreement"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Date of Grant:	_____
Number of Shares as to which Option is Exercised:	_____
Exercise Price per Share:	$
Total Exercise Price:	$
Certificate to be issued in name of:	_____
Cash Payment delivered herewith:	☐ $
Other form of consideration delivered herewith (only if approved by the Administrator):	☐ Form of Consideration: $
Type of Option:	Non-Qualified Stock Option

15. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement. Optionee agrees to abide by and be bound by their terms and conditions.

16. Rights as Stockholder. Until the stock certificate evidencing Shares purchased pursuant to the exercise of the Option is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to Shares subject to

the Option, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 13 of the Plan.

Optionee shall enjoy rights as a stockholder until such time as Optionee disposes of the Shares or the Company and/or its assignee(s) exercises the Right of First Refusal (as defined below) hereunder. Upon such exercise, Optionee shall have no further rights as a holder of the Shares so purchased except the right to receive payment for the Shares so purchased in accordance with the provisions of this Agreement, and Optionee shall forthwith cause the certificate(s) evidencing the Shares so purchased to be surrendered to the Company for transfer or cancellation.

17. Optionee's Rights to Transfer Shares.

(a) Company's Right of First Refusal. Before any Shares held by Optionee or any permitted transferee (each, a "Holder") may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a "Transfer"), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares proposed to be Transferred on the terms and conditions set forth in this Section 4 (the "Right of First Refusal").

(i) Notice of Proposed Transfer. In the event any Holder desires to Transfer any Shares, the Holder shall deliver to the Company a written notice (the "Notice") stating: (w) the Holder's bona fide intention to sell or otherwise Transfer such Shares; (x) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (y) the number of Shares to be Transferred to each Proposed Transferee; and (z) the bona fide cash price or other consideration for which the Holder proposes to Transfer the Shares (the "Offered Price"), and the Holder shall offer such Shares at the Offered Price to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. Within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the Shares proposed to be Transferred to any one or more of the Proposed Transferees. The purchase price shall be determined in accordance with Section 4(a)(iii) hereof.

(iii) Purchase Price. The purchase price ("Purchase Price") for the Shares repurchased under this Section 4 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(iv) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company and the Holder.

(v) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 4, then the Holder may sell or otherwise Transfer such Shares to that Proposed

Transferee at the Offered Price or at a higher price, provided that such sale or other Transfer is consummated within one hundred twenty (120) days after the date of the Notice and provided further that any such sale or other Transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 4 and the Restricted Stock Purchase Agreement, if applicable, shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not Transferred to the Proposed Transferee within such 120-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal as provided herein before any Shares held by the Holder may be sold or otherwise Transferred.

(b) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 4 notwithstanding, the Transfer of any or all of the Shares during the Optionee's lifetime or upon the Optionee's death by will or intestacy to the Optionee's Immediate Family or a trust for the benefit of the Optionee's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "Immediate Family" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the Shares so Transferred subject to the provisions of this Section 4 (including the Right of First Refusal) and the Restricted Stock Purchase Agreement, if applicable, and there shall be no further Transfer of such Shares except in accordance with the terms of this Section 4.

(c) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to all Shares upon a sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (a "Public Offering").

18. Transfer Restrictions. Any transfer or sale of the Shares is subject to restrictions on transfer imposed by any applicable state and federal securities laws. Any Transfer or attempted Transfer of any of the Shares not in accordance with the terms of this Agreement, including the Right of First Refusal provided in this Agreement, shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

19. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

20. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND RIGHT OF FIRST REFUSAL OPTIONS HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

21. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

22. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or by the Company forthwith to the Company's Board of Directors or committee thereof that is responsible for the administration of the Plan (the "Administrator"), which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on the Company and on Optionee.

23. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

24. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

25. Further Instruments. The Optionee hereby agrees to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement, including, without limitation, the Investment Representation Statement in the form attached to the Option Agreement as Exhibit B.

26. Delivery of Payment. The Optionee herewith delivers to the Company the full Exercise Price for the Shares, as well as any applicable withholding tax.

27. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Agreement, the Plan, the Option Agreement, the Investment Representation Statement and the Restricted Stock Purchase Agreement, if applicable, constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof.

Accepted by:

COHERUS BIOSCIENCES, INC.

By: _____

Dennis M. Lanfear
President and Chief Executive Officer

Address:
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065

Submitted by:

OPTIONEE

_____

Optionee

Address:

_____

_____

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

OPTIONEE :

COMPANY : Coherus BioSciences, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed shares of Common Stock (the "Securities") of Coherus BioSciences, Inc., a Delaware corporation (the "Company"), the undersigned (the "Optionee") represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's 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 of 1933, as amended (the "Securities Act").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable securities laws or agreements.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, 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 the grant of the Option to Optionee, the exercise 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, as amended (the "Exchange Act") ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as this term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

Optionee

Date: ,

EXHIBIT C-1

COHERUS BIOSCIENCES, INC.

2010 EQUITY INCENTIVE PLAN

RESTRICTED STOCK PURCHASE AGREEMENT

THIS RESTRICTED STOCK PURCHASE AGREEMENT (this "Agreement") is made between (the "Purchaser") and Coherus BioSciences, Inc. (the "Company"), as of , .

RECITALS

(1) Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. Pursuant to the exercise of the Option granted to Purchaser under the Company's 2010 Equity Incentive Plan and pursuant to the Stock Option Agreement (the "Option Agreement") dated , by and between the Company and Purchaser with respect to such grant, which Option Agreement is hereby incorporated by reference, Purchaser has elected to purchase of those shares which have not become vested under the vesting schedule set forth in the Option Agreement ("Unvested Shares"). The Unvested Shares and the shares subject to the Option Agreement which have become vested are sometimes collectively referred to herein as the "Shares."

(2) As required by the Option Agreement, as a condition to Purchaser's election to exercise the option, Purchaser must execute this Agreement, which sets forth the rights and obligations of the parties with respect to Shares acquired upon exercise of the Option.

AGREEMENT

1. Repurchase Option.

(a) If Purchaser ceases to be a Service Provider for any reason, including for cause, death and Disability, the Company or its assignee shall have the right and option to purchase from Purchaser, or Purchaser's personal representative, as the case may be, all of Purchaser's Unvested Shares as of the date on which Purchaser ceases to be a Service Provider at the exercise price paid by Purchaser for such Shares in connection with the exercise of the Option (the "Repurchase Option").

(b) The Company may exercise its Repurchase Option by delivering, personally or by registered mail, to Purchaser (or his or her transferee or legal representative, as the case may be), within ninety (90) days of the date on which Purchaser ceases to be a Service Provider, a notice in writing indicating the Company's intention to exercise the Repurchase Option and setting forth a

date for closing not later than thirty (30) days from the mailing of such notice. The closing shall take place at the Company's office. At the closing, the holder of the certificates for the Unvested Shares being transferred shall deliver the stock certificate or certificates evidencing the Unvested Shares, and the Company shall deliver the purchase price therefor.

(c) At its option, the Company may elect to make payment for the Unvested Shares to a bank selected by the Company. The Company shall avail itself of this option by a notice in writing to Purchaser stating the name and address of the bank, date of closing, and waiving the closing at the Company's office.

(d) If the Company does not elect to exercise the Repurchase Option conferred above by giving the requisite notice within ninety (90) days following the date on which Purchaser ceases to be a Service Provider, the Repurchase Option shall terminate.

(e) One hundred percent (100%) of the Unvested Shares shall initially be subject to the Repurchase Option. The Unvested Shares shall be released from the Repurchase Option in accordance with the Vesting Schedule set forth in the Notice of Grant until all Shares are released from the Repurchase Option. Fractional Shares shall be rounded to the nearest whole share.

2. Transferability of the Shares; Escrow.

(a) Purchaser hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company from time to time, to transfer the Unvested Shares as to which the Repurchase Option has been exercised from Purchaser to the Company.

(b) To insure the availability for delivery of Purchaser's Unvested Shares upon repurchase by the Company pursuant to the Repurchase Option under Section 1, Purchaser hereby appoints the Secretary, or any other person designated by the Company from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Unvested Shares, if any, repurchased by the Company pursuant to the Repurchase Option and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company from time to time, the share certificate(s) representing the Unvested Shares, together with the stock assignment duly endorsed in blank, attached hereto as Exhibit C-2. The Unvested Shares and stock assignment shall be held by the Secretary, or such other person designated by the Company from time to time, in escrow, pursuant to the Joint Escrow Instructions of the Company and Purchaser attached as Exhibit C-3 hereto, until the Company exercises its Repurchase Option as provided in Section 1, until such Unvested Shares are vested, or until such time as this Agreement no longer is in effect. As a further condition to the Company's obligations under this Agreement, the spouse of Purchaser, if any, shall execute and deliver to the Company the Consent of Spouse attached hereto as Exhibit C-4. Upon vesting of the Unvested Shares, the escrow agent shall promptly deliver to Purchaser the certificate or certificates representing such Shares in the escrow agent's possession belonging to Purchaser, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

(d) Transfer or sale of the Shares is subject to restrictions on transfer imposed by any applicable state and federal securities laws. Any transferee shall hold such Shares subject to all of the provisions hereof and the Exercise Notice executed by Purchaser with respect to any Unvested Shares purchased by Purchaser and shall acknowledge the same by signing a copy of this Agreement. Any transfer or attempted transfer of any of the Shares not in accordance with the terms of this Agreement shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

3. Ownership, Voting Rights, Duties. This Agreement shall not affect in any way the ownership, voting rights or other rights or duties of Purchaser, except as specifically provided herein.

4. Adjustment for Stock Split. All references to the number of Shares and the purchase price of the Shares in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Shares which may be made by the Company after the date of this Agreement.

5. Notices. Notices required hereunder shall be given in person or by registered mail to the address of Purchaser shown on the records of the Company, and to the Company at its principal executive office.

6. Survival of Terms. This Agreement shall apply to and bind Purchaser and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

7. Section 83(b) Election for Unvested Shares Purchased Pursuant to a Non-Qualified Stock Option. Purchaser hereby acknowledges that he or she has been informed that, with respect to the exercise of a Non-Qualified Stock Option for Unvested Shares, that unless an election is filed by Purchaser with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty (30) days of the purchase of the Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on any difference between the purchase price of the Shares and their Fair Market Value on the date of purchase, there will be a recognition of taxable income to the Purchaser, measured by the excess, if any, of the fair market value of the Shares, at the time the Company's Repurchase Option lapses over the purchase price for the Shares. Purchaser represents that Purchaser has consulted any tax consultant(s) Purchaser deems advisable in connection with the purchase of the Shares or the filing of the Election under Section 83(b) and similar tax provisions.

PURCHASER ACKNOWLEDGES THAT IT IS PURCHASER'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b), EVEN IF PURCHASER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PURCHASER'S BEHALF.

8. Representations. Purchaser has reviewed with his or her own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Purchaser understands that Purchaser (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

9. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

(*Signature Page Follows*)

Purchaser represents that he or she has read this Agreement and is familiar with its terms and provisions. Purchaser hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or other administrator of the Plan upon any questions arising under this Agreement.

IN WITNESS WHEREOF, this Agreement is deemed made as of the date first set forth above.

COHERUS BIOSCIENCES, INC.

By: _____
Dennis M. Lanfear
President and Chief Executive Officer

PURCHASER

By: _____
Name: _____

Address:

_____

_____

EXHIBIT C-2

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, , hereby sell, assign and transfer unto ( ) shares of the Common Stock of Coherus BioSciences, Inc. registered in my name on the books of said corporation represented by Certificate No. herewith and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Assignment Separate from Certificate may be used only in accordance with the Restricted Stock Purchase Agreement between Coherus BioSciences, Inc. and the undersigned dated , .

Dated: ,

Signature:_____

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise the Repurchase Option, as set forth in the Restricted Stock Purchase Agreement, without requiring additional signatures on the part of Purchaser.

EXHIBIT C-3

JOINT ESCROW INSTRUCTIONS

,

Secretary
Coherus BioSciences, Inc.
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 94065

Ladies and Gentlemen:

As Escrow Agent for both Coherus BioSciences, Inc. (the "Company") and the undersigned purchaser of stock of the Company (the "Purchaser"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Purchase Agreement ("Agreement") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company or any entitled parties (referred to collectively for convenience herein as the "Company") exercises the Company's Repurchase Option set forth in the Agreement, the Company shall give to Purchaser and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Purchaser and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the same, together with the certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or a combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company's Repurchase Option.

3. Purchaser irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Purchaser does hereby irrevocably constitute and appoint you as Purchaser's attorney-in-fact and agent for the term of this escrow to execute, with respect to such securities, all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities.

Subject to the provisions of this paragraph 3 and to the terms of the Agreement, Purchaser shall exercise all rights and privileges of a stockholder of the Company while the stock is held by you.

4. Upon written request of Purchaser, but no more than once per calendar year, unless the Company's Repurchase Option has been exercised, you will deliver to Purchaser a certificate or certificates representing the number of shares of stock as are not then subject to the Company's Repurchase Option. Within one hundred twenty (120) days after Purchaser ceases to be a Service Provider, you will deliver to Purchaser a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or any other entitled parties pursuant to exercise of the Company's Repurchase Option.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Purchaser, you shall deliver all of the same to Purchaser and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Purchaser while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the expiration of any rights under any applicable state, federal or local statute of limitations or similar statute or regulation with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at such addresses as a party may designate by written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, excluding that body of law pertaining to conflicts of law.

(*Signature Page Follows*)

IN WITNESS WHEREOF, these Joint Escrow Instructions shall be effective as of the date first set forth above.

COHERUS BIOSCIENCES, INC.

By: _____
Dennis M. Lanfear
President and Chief Executive Officer

PURCHASER

By: _____

Name: _____

Address:

_____

_____

ESCROW AGENT

By: _____

Name: _____

Title: _____

EXHIBIT C-4

CONSENT OF SPOUSE

I, , spouse of , have read and approve the Restricted Stock Purchase Agreement dated , , between my spouse and Coherus BioSciences, Inc. In consideration of granting of the right to my spouse to purchase shares of Coherus BioSciences, Inc. set forth in the Restricted Stock Purchase Agreement, I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Restricted Stock Purchase Agreement insofar as I may have any rights in said Restricted Stock Purchase Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Restricted Stock Purchase Agreement.

Dated: ,

Signature of Spouse

FORM OF 83(B) ELECTION AND INSTRUCTIONS

These instructions are provided to assist you if you choose to make an election under Section 83(b) of the Internal Revenue Code, as amended, with respect to the shares of common stock of Coherus BioSciences, Inc. transferred to you. **Please consult with your personal tax advisor as to whether an election of this nature will be in your best interests in light of your personal tax situation.**

The executed original of the Section 83(b) election must be filed with the Internal Revenue Service not later than 30 days after the date the shares were transferred to you. PLEASE NOTE: There is no remedy for failure to file on time. The steps outlined below should be followed to ensure the election is mailed and filed correctly and in a timely manner. ALSO, PLEASE NOTE: If you make the Section 83(b) election, the election is irrevocable.

Complete Section 83(b) election form (attached as Attachment 1) and make four (4) copies of the signed election form. (Your spouse, if any, should sign the Section 83(b) election form as well.)

Prepare the cover letter to the Internal Revenue Service (sample letter attached as Attachment 2).

Send the cover letter with the originally executed Section 83(b) election form and one (1) copy via certified mail, return receipt requested to the Internal Revenue Service at the address of the Internal Revenue Service where you file your personal tax returns. We suggest that you have the package date-stamped at the post office. The post office will provide you with a certified receipt that includes a dated postmark. Enclose a self-addressed, stamped envelope so that the Internal Revenue Service may return a date-stamped copy to you. However, your postmarked receipt is your proof of having timely filed the Section 83(b) election if you do not receive confirmation from the Internal Revenue Service.

One (1) copy must be sent to Coherus BioSciences, Inc. for its records and **one (1) copy must be attached to your federal income tax return for the applicable calendar year**.

Retain the Internal Revenue Service file stamped copy (when returned) for your records.

Please consult your personal tax advisor for the address of the office of the Internal Revenue Service to which you should mail your election form.

ATTACHMENT 1
ELECTION UNDER INTERNAL REVENUE CODE SECTION 83(B)

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of shares (the "Shares") of Common Stock of Coherus BioSciences, Inc., a Delaware corporation (the "Company").

1. The name, address and taxpayer identification number of the undersigned taxpayer are:

_____

_____

_____

SSN: _____

The name, address and taxpayer identification number of the Taxpayer's spouse are (complete if applicable):

_____

_____

_____

SSN: _____

Description of the property with respect to which the election is being made:

( ) shares of Common Stock of the Company.

The date on which the property was transferred was . The taxable year to which this election relates is calendar year .

Nature of restrictions to which the property is subject:

The Shares are subject to repurchase by the Company or its assignee upon the occurrence of certain events. This repurchase right lapses based upon the continued performance of services by the taxpayer over time.

The fair market value at the time of transfer (determined without regard to any lapse restrictions, as defined in Treasury Regulation Section 1.83-3(i)) of the Shares was $ per Share.

The amount paid by the taxpayer for Shares was per share.

A copy of this statement has been furnished to the Company.

Dated: , Taxpayer Signature _____

The undersigned spouse of Taxpayer joins in this election. (Complete if applicable).

Dated: , Spouse's Signature _____

Signature(s) Notarized by:

_____

_____

ATTACHMENT 2

SAMPLE COVER LETTER TO INTERNAL REVENUE SERVICE

,

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service
[Address where taxpayer files returns]

Re: Election under Section 83(b) of the Internal Revenue Code of 1986
Taxpayer: _____
Taxpayer's Social Security Number: _____
Taxpayer's Spouse: _____
Taxpayer's Spouse's Social Security Number: _____

Ladies and Gentlemen:

Enclosed please find an original and one copy of an Election under Section 83(b) of the Internal Revenue Code of 1986, as amended, being made by the taxpayer referenced above. Please acknowledge receipt of the enclosed materials by stamping the enclosed copy of the Election and returning it to me in the self-addressed stamped envelope provided herewith.

Very truly yours,

_____

Enclosures

cc: Coherus BioSciences, Inc.

June 23, 2014

Doug Farrar
[Redacted]

Dear Doug:

This letter (the "Agreement") confirms the details of the separation package offered to you by Coherus Biosciences, Inc. (the "Company"). Kindly sign where indicated below, and return this letter to me no earlier than June 30, 2014 and no later than July 14, 2014 to signify your agreement to the stated terms. This Agreement shall be effective as of the eighth (8th) day following your execution of it without revocation (the "Effective Date").

You resigned your position as Chief Technical Officer and your employment, and the Company accepted your resignation, effective June 30, 2014 (the "Resignation Date"). Upon your signature of this Agreement, you will be entitled to the separation benefits detailed below.

1. **Payment of Accrued Wages and Business Expenses.** On the Resignation Date, you will receive payment of all wages accrued through that date, including all accrued, unused Paid Time Off. You will submit all business expenses incurred by you in accordance with the Company's normal travel and expense policies no later than the Resignation Date, and the Company will promptly reimburse you for all documented and approved expenses. You are entitled to the amounts detailed in this Section 1, regardless whether you sign this Agreement.

2. **Consulting Agreement.** In exchange for your execution of this Agreement without revocation, you and the Company shall enter into the attached Consulting Agreement, effective as of July 1, 2014. The Consulting Period shall continue through December 31, 2014 (the "Consulting Period"), unless terminated earlier by either you or the Company in accordance with its terms. During the Consulting Period, you shall be available to answer questions and to provide services through your consulting company Flatirons Biotech, Inc. having an address of [Redacted], by telephone and in person, at the Company's business premises or such other location as the Company may reasonably request, about manufacture and process design, technical matters for all Company products, and related activities including but not limited to supporting development, potential partnering and/or other corporate transactions, and financing matters. You will be available to provide consulting services of up to 40 (forty) hours per week, as requested. You and the Company acknowledge and agree that during the Consulting period, you are an independent contractor. The company will not make deductions for taxes from any Consulting Fees paid and you shall be responsible for self-employment and personal income taxes. As consideration for this Agreement and your consulting services, you shall receive the following payments and benefits:

a) Through the earlier of December 31, 2014 or the date on which you terminate the Consulting Period or the Company terminates the Consulting Period for cause (as defined in the Consulting Agreement), you shall continue to vest in all outstanding equity awards issued to you prior to the Resignation Date. All equity awards unvested as of December 31, 2014, or such earlier date as the Consulting Period is terminated, shall be cancelled. You shall have the right, through the date that is six (6) months from the termination of the Consulting Period, to exercise all vested equity awards. You agree to execute a 180-day post-initial Public Offering lock up agreement containing customary terms (the "Lock-Up Agreement"). Except as expressly provided herein, your equity rights shall be governed by the terms of the applicable equity Plan, Notice of Grant and equity award agreement. You will not be obligated to sign the Lock-Up Agreement unless and until the Coherus Board of Directors approves the exercise extension referenced in this sub-paragraph (a).

b) Through the earlier of December 31, 2014 or the date on which you terminate the Consulting Period or the Company terminates the Consulting Period for cause (as defined in the Consulting Agreement), you will receive consulting payments as set forth in the Consulting Agreement (the "Consulting Payments").

c) Your Company-sponsored healthcare benefits will terminate effective June 30, 2014. If you timely elect to continue your healthcare coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), the Company will reimburse your premiums through the earlier of (i) the last day of the month in which you terminate the Consulting Period or the Company terminates the Consulting Period for cause (as defined in the Consulting Agreement), (ii) June 30, 2015, (iii) until you obtain healthcare coverage through another employer, or (iv) until you are otherwise no longer eligible for COBRA.

3. **Release of Claims.** You agree not to sue, or otherwise file any claim against, the Company or any of its directors, officers, managers, employees or agents for any reason whatsoever based on anything that has occurred as of the date you sign this Agreement.

a) On behalf of yourself and your executors, administrators, heirs and assigns, you hereby release and forever discharge the "Releasees" hereunder, consisting of the Company, and each of its owners, directors, officers, managers, employees, representatives, agents and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which you now have or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time through the Resignation Date, including, without limiting the generality of the foregoing, any Claims arising directly or indirectly out of, relating to, or in any other way involving in any manner whatsoever your employment by the Company, your resignation of your officer position and your employment separation, including without limitation any and all claims

arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866; the Equal Pay Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Family Medical Leave Act; the Age Discrimination in Employment Act ("ADEA"); the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; the California Occupational Safety and Health Act; Section 17200 of the California. Business and Professions Code; Claims arising under any other local, state or federal law governing employment; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees. Notwithstanding the generality of the foregoing, you do not release any claims that cannot be released as a matter of law, including, without limitation, claims for indemnity under California Labor Code Section 2802 and any policy of insurance carried by the Company, and your right to bring to the attention of the Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing administrative Claims of harassment, discrimination or retaliation; provided, however, that you release your right to secure damages as a remedy for any such administrative Claims.

b) YOU ACKNOWLEDGE THAT YOU HAVE BEEN ADVISED OF AND ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, YOU HEREBY EXPRESSLY WAIVE ANY RIGHTS YOU MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

c) Under the ADEA, you have seven days after signing this Agreement to revoke it. If you wish to revoke this Agreement, you must deliver notice of revocation in writing, no later than 5:00 p.m. Pacific Time on the seventh (7th) day following your execution of this Agreement via email to Matthew R. Hooper, Senior Vice President, General Counsel, [Redacted]. If you revoke this Agreement, it will be null and void in its entirety, and you will not be entitled to the benefits of this Agreement, other than as provided in Section 1, or the Consulting Agreement.

4. **Employee's Representations.** You represent and warrant that:

a) On or before June 30, 2015, you will return to the Company all Company documents, files and equipment that you have in your possession, with all electronic files (including but not limited to email) intact;

b) You are not owed wages, commissions, bonuses or other compensation, other than as set forth in this Agreement;

c) During the course of your employment you did not sustain any injuries for which you might be entitled to compensation pursuant to worker's compensation law;

d) You have not made any disparaging or negative comments about the Company, its business, services, managers or employees, nor will you do so in the future; and

e) You have not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will you do so in the future, except as specifically allowed by this Agreement.

6. **Maintaining Confidential Information.** You will at all times in the future abide by the terms of the Employee Proprietary Information and Inventions Agreement (the "Confidentiality Agreement") executed by you in conjunction with your employment, including but not limited to those provisions that forbid you from disclosing confidential information you acquired while an employee of the Company to any other person or using such information in any manner other than in furtherance of the Company's interests.

7. **Cooperation with the Company.** During and after the Consulting Period, you will cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action that has been or may be filed provided, however, that any such request by the Company shall not be unduly burdensome or interfere with your personal schedule or ability to engage in gainful employment.

8. **Voluntary and Knowing Agreement.** You represent that you have thoroughly read and considered all aspects of this Agreement, that you understand all its provisions and that you are voluntarily accepting its terms.

9. **Section 409A.** Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that constitutes "nonqualified deferred compensation" ("Deferred Compensation") within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and which is designated under this Agreement as payable upon your termination of

employment shall be payable only upon your "separation from service" with the Company within the meaning of Section 409A of the Code (a "Separation from Service") and, except as otherwise provided under this paragraph, any such compensation or benefits shall not be paid, or, in the case of installments, shall not commence payment, until the sixtieth (60th) day following your Separation from Service. Notwithstanding any provision herein to the contrary, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which you are entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of your benefits shall not be provided to you prior to the earlier of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company or (ii) the date of your death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to you (or your estate or beneficiaries), and any remaining payments due to you under this Agreement shall be paid as otherwise provided herein. To the extent that any reimbursements under this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and your right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

10. **Entire Agreement; Amendment.** This Agreement, the Consulting Agreement and the Confidentiality Agreement set forth the entire agreement between you and the Company and supersede any and all prior oral or written agreements or understandings between you and the Company concerning the terms of your separation. This Agreement may not be altered, amended or modified, except by a further written document signed by you and the Company.

Please date and sign the enclosed copy of this letter in the places indicated below to signify your agreement, and return that copy to my attention.

Sincerely,

/s/ Dennis M. Lanfear (MRH)
Dennis M. Lanfear
President and Chief Executive Officer

Accepted and agreed to on this 30 day of June 2014.

/s/ Douglas Farrar

Douglas Farrar

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

MASTER SERVICES AGREEMENT

This **Master Services Agreement** (the "Agreement"), dated as of January 23, 2012 (the "Effective Date"), is between **Medpace, Inc.,** an Ohio Corporation with a principal place of business at 5375 Medpace Way, Cincinnati, OH 45227 ("MEDPACE") and **BioGenerics, Inc.,** a Delaware Corporation with a principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 ("SPONSOR"). MEDPACE and SPONSOR are sometimes referred to herein individually as a "Party" and together as the "Parties".

RECITALS:

WHEREAS, SPONSOR is in the business of developing and obtaining regulatory approval of the marketing and sale of biological products;

WHEREAS, MEDPACE is engaged in the business of providing services related to the design and execution of clinical development programs involving drugs, biologics, and medical devices through engagement by its clients, the sponsors of clinical development programs, to perform such services;

WHEREAS, SPONSOR desires to engage MEDPACE to perform certain services as set forth hereinafter in connection with certain clinical trials (the "Services"), all in accordance with and subject to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions hereinafter set forth, the Parties hereby agree as follows:

1. **PROJECT SPECIFICATIONS**

   A. MEDPACE hereby agrees to perform Services for SPONSOR from time to time. The precise Services to be performed by MEDPACE shall be mutually agreed upon by the Parties and set forth in one or more task orders (each a "Task Order"), a form of which is attached hereto as Exhibit A; provided that MEDPACE may not unreasonably delay or withhold its approval of any Task Order. Each Task Order shall be signed by an authorized representative of each Party and attached hereto as an exhibit. Each Task Order shall include detailed information concerning a given project, including a description of the specific services to be provided ("Scope of Work"), project milestones and target completion dates ("Project Schedule"), a detailed budget ("Project Budget"), and a schedule of payments related to the Project Schedule and the Project Budget ("Payment Schedule"). Each Task Order shall contain a Transfer of Obligations list ("Transfer of Obligations") in conjunction with the relevant Task Order and consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D (Responsibilities of Sponsors and Investigators). Any responsibilities not specifically transferred in the Transfer of Obligations shall remain the regulatory responsibility of SPONSOR.

   B. MEDPACE shall conduct the Services in compliance with the terms and conditions of this Agreement and the relevant Task Order, MEDPACE SOPs and Policies, and applicable law.

C. From time to time, SPONSOR may wish to enter into a Task Order with a MEDPACE Affiliate for Services under this Agreement ("Affiliate Task Order"), and such MEDPACE Affiliate may wish enter into the Affiliate Task Order with SPONSOR. Any such Affiliate Task Order must be in writing and signed by the parties to the Affiliate Task Order, and each signatory to an Affiliate Task Order is solely responsible for all obligations it undertakes under the Affiliate Task Order. For the purposes of a particular Affiliate Task Order, the Affiliate signing such Affiliate Task Order will be deemed substituted for MEDPACE everywhere "MEDPACE" appears in this Agreement, and the term "Affiliate Task Order" will be deemed substituted for Task Order everywhere "Task Order" appears in this Agreement.

D. As used herein, "Affiliate" means in relation to a Party, any entity, directly or indirectly, controlling such Party, controlled by such Party, or under common control with such Party.

2. PROJECT SCHEDULE

A. Each Task Order shall include a Project Schedule containing project timelines, milestones or target dates for completion of a project or a portion thereof, and all such schedules shall be reasonable for the Services to be provided. In all events, the Parties shall use their reasonable best efforts to comply with the Project Schedule set forth in each Task Order.

B. If at any time either Party anticipates a delay in meeting the timelines for a given Task Order as set forth in its Project Schedule[***], then the anticipating Party shall promptly notify the other Party in writing[***].

3. CONTRACT AMENDMENTS

Any change in the details of a Task Order or the assumptions upon which the Task Order is based may require changes in the Project Budget, Payment Schedule or Project Schedule. Every such change shall require a written amendment to the Task Order (a "Contract Amendment"). Each Contract Amendment shall [***]. The Contract Amendment will become effective upon the execution of the Contract Amendment by both Parties[***]. [***]. No Contract Amendment shall become effective [***]. Any

such changes that result in additional charges shall be reflected in the Contract Amendment to the affected Task Order, Project Budget or Payment Schedule.

4. PROJECT BUDGET, PAYMENT SCHEDULE, AND TERMS

A. Service Fees:

SPONSOR agrees to pay MEDPACE for Services rendered pursuant to the Project Budget and Payment Schedules included in each Task Order. All MEDPACE Services will be charged using [***]. [***].

B. Pass-Through Costs:

SPONSOR agrees to reimburse MEDPACE for reasonable pass-through costs identified in the Task Order and actually incurred by MEDPACE in providing the Services in accordance with the relevant Task Order ("Pass-through Costs"). All expenses billed to SPONSOR by MEDPACE must be accompanied by appropriate documentary evidence, such as receipts or other documentation reasonably acceptable to SPONSOR.

C. Pre-Funded Expenses:

The Parties hereby acknowledge and agree that, if SPONSOR and MEDPACE agree in writing that as part of the Services to be provided under this Agreement or any Task Order(s) [***]. [***] limited to [***]. If this Agreement is terminated and any such services are not performed by such third parties, MEDPACE shall [***].

D. Acknowledgement:

The Parties acknowledge and agree that any third parties (including but not limited to investigators, institutions or site management organizations) paid with Pass-through Costs or Pre-funded Expenses in connection with the performance of Services under this Agreement or any Task Order shall not be considered the agent, employee or subcontractor of either Party.

E. Payment Terms:

SPONSOR shall deliver [***] payments to MEDPACE within [***] after receipt of a written invoice and required supporting documentation as applicable. An annual interest rate of the lower of [***] will be applied to outstanding undisputed invoices greater than [***] from the date of receipt.

5. WARRANTIES AND REPRESENTATIONS:

A. Acknowledgements:

MEDPACE acknowledges that the Services to be provided hereunder are for the benefit of, and are subject to the direction of, SPONSOR. MEDPACE acknowledges that SPONSOR is the beneficiary under the terms of this Agreement and each Task Order, and that SPONSOR is entitled to enforce the provisions thereof.

B. Representations and Warranties of MEDPACE:

i. MEDPACE represents and warrants that it is duly organized, validly existing and in good standing in its place of organization, and is in good standing in and duly qualified to do business.

ii. MEDPACE represents and warrants that the execution, delivery and performance of this Agreement and each Task Order has been validly authorized by all corporate action and this Agreement and each Task Order represents the valid binding agreement of MEDPACE enforceable in accordance with its terms. The execution, delivery and performance of this Agreement and each Task Order will not violate any organizational document governing MEDPACE, any agreement to which MEDPACE is a party, or any law or court or governmental order, holding or writ by which MEDPACE is bound.

iii. MEDPACE represents and warrants that it shall render the Services requested by SPONSOR in accordance with high professional standards, consistent with Good Clinical Practices and with the standard of care customary in the contract research organization industry.

iv. MEDPACE represents and warrants that the personnel assigned to perform Services rendered under this Agreement shall be qualified and professionally capable of performing the Services, shall be adequate to effectively perform the Services on the schedule set forth in the Project Schedule and shall devote such time as is necessary to perform the Services on such schedule.

v. MEDPACE represents and warrants that it shall perform the Services in compliance with all applicable laws and regulations including, without limitation, the Federal Food, Drug and Cosmetic Act and the regulations promulgated pursuant thereto, and all future amendments during the term.

vi. MEDPACE represents and warrants that it shall make available to SPONSOR, or to the responsible regulatory authority, relevant records, programs and data as

may reasonably be requested by SPONSOR or which is the subject of a Task Order.

vii. MEDPACE represents and warrants that there is no litigation, regulatory investigation or proceeding, administrative hearing or any other similar proceeding pending or to the best of its knowledge threatened against MEDPACE which could adversely affect MEDPACE's ability to perform the Services.

C. Representations and Warranties of SPONSOR:

i. SPONSOR represents and warrants that it is duly organized, validly existing and in good standing in its place of organization, and is in good standing in and duly qualified to do business.

ii. SPONSOR represents and warrants that the execution, delivery and performance of this Agreement and each Task Order has been validly authorized by all corporate action and this Agreement and each Task Order represents the valid binding agreement of SPONSOR enforceable in accordance with its terms. The execution, delivery and performance of this Agreement and each Task Order will not violate any organizational document governing SPONSOR, any agreement to which SPONSOR is a party, or any law or court or governmental order, holding or writ by which SPONSOR is bound.

iii. SPONSOR represents and warrants that there is no litigation, regulatory investigation or proceeding, administrative hearing or any other similar proceeding pending or to the best of its knowledge threatened against SPONSOR which could adversely affect SPONSOR's ability to perform under this Agreement or any Task Order.

6. TERM AND TERMINATION

A. This Agreement shall commence on the Effective Date and shall continue until terminated pursuant to this Article 6.

B. Either Party may terminate this Agreement in its entirety without cause upon [***] prior written notice to the other Party[***].

C. [***].

D. MEDPACE may terminate a Task Order [***] if SPONSOR materially breaches any obligation or representation or warranty thereunder and has not cured such breach within [***] after receipt of written notice from MEDPACE [***].

E. SPONSOR may terminate this Agreement [***] if MEDPACE materially breaches any provision of this Agreement and has not

cured such breach within [***] after receipt of written notice from SPONSOR [***].

F. In the event of any termination [***], SPONSOR agrees to [***]. As soon as [***] following [***], MEDPACE shall [***]. [***].

G. As soon as [***], the Parties shall [***]. MEDPACE shall [***], and SPONSOR shall [***].

H. Expiration or early termination of this Agreement by either Party shall not affect the rights and obligations of the Parties accrued prior to the date of expiration or early termination. The rights and obligations under Sections 4 (as to outstanding payment and reimbursement obligations), 6.F, 6.G, 6.H, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, 22, 24, and 27 shall all survive the expiration or early termination of this Agreement.

7. COMMUNICATIONS

Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed given if (a) delivered personally, (b) mailed by prepaid, first class, certified mail, return receipt requested, or (c) sent by express courier service, to the Party to be notified at the addresses set forth below (or such other address as shall be designated by written notice); provided that all notices shall be effective upon receipt thereof if delivered in accordance with Section 7(a), three (3) days after mailing if delivered in accordance with Section 7(b), and one (1) business day after mailing if delivered in accordance with Section 7(d):

If to MEDPACE:
Medpace, Inc.
4620 Wesley Avenue
Cincinnati, Ohio 45212

Attn: August J. Troendle
Telephone: [***]

If to SPONSOR:
BioGenerics, Inc.
201 Redwood Shores Parkway, Suite 200,
Redwood City, CA 94065
Attn: Dennis M. Lanfear
Telephone: [***]

8. CONFIDENTIALITY

A. "Confidential Information" means all confidential information disclosed by or on behalf of a Party to the other Party pursuant to this Agreement or the confidentiality agreement entitled Mutual Nondisclosure Agreement between the Parties, dated 15 February 2011 (the "CDA"), including without limitation all commercial, technical, scientific, or medical information, trade secrets, know-how, product plans, products, services, customer lists and customers, markets, software, developments, inventions, processes, formulas, molecular or chemical structures or identities, technology, algorithms, designs, drawings, engineering, hardware configuration, marketing, finances, or other business information.

B. SPONSOR may provide Confidential Information to MEDPACE during the course of this Agreement ("SPONSOR Confidential Information"). All information or data collected by MEDPACE for SPONSOR during the course of performance of the Services is deemed to be SPONSOR Confidential Information.

i. MEDPACE shall not disclose SPONSOR Confidential Information to any third party, or use SPONSOR Confidential Information for any purpose other than for those set forth under this Agreement or a Task Order, without the prior written consent of SPONSOR.

ii. MEDPACE shall ensure by binding written agreement that its employees, agents, approved subcontractors and approved independent contractors involved in the Services shall comply with the provisions of this Article 8. MEDPACE shall disclose SPONSOR Confidential Information only to those of its employees, agents, and approved subcontractors and independent contractors who reasonably need to know SPONSOR Confidential Information.

iii. MEDPACE shall exercise due care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure and use of SPONSOR Confidential Information.

C. MEDPACE may provide Confidential Information to SPONSOR during the course of this Agreement ("MEDPACE Confidential Information"). MEDPACE Confidential Information shall further include but is not limited to standard operating procedures, pricing, and financial information provided by MEDPACE or its Affiliates to SPONSOR during the

course of performance of the Services, and any other non-public information pertaining to MEDPACE's business practices.

i. SPONSOR shall not disclose MEDPACE Confidential Information to any third party, or use MEDPACE Confidential Information for any purpose other than for those set forth under this Agreement or a Task Order, without the prior written consent of MEDPACE.

ii. SPONSOR shall ensure by binding written agreement that its employees, agents, approved subcontractors and approved independent contractors involved in the Services shall comply with the provisions of this Article 8. SPONSOR shall disclose MEDPACE Confidential Information only to those of its employees, agents, and approved subcontractors and independent contractors who reasonably need to know MEDPACE Confidential Information.

iii. SPONSOR shall exercise due care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure and use of MEDPACE Confidential Information.

D. The confidentiality and nondisclosure provisions of Sections 8.B and 8.C shall not apply to:

i. Information which was known by the receiving Party before the date hereof or which is independently discovered, after the date hereof, without the aid, application or use of the disclosing Party's Confidential Information, as evidenced by competent written records;

ii. Information which is in the public domain on the date hereof or subsequently becomes publicly available through no fault or action of the receiving Party; or

iii. Information, which is disclosed to the receiving Party by a third party, authorized to disclose it without breach of and not subject to any obligation of confidentiality to the disclosing Party or any other party.

E. Notwithstanding anything in this Agreement to the contrary, if the receiving Party is required to disclose the Confidential Information of the other Party or the substance of this Agreement in connection with a legal or administrative proceeding or otherwise to comply with a requirement under the law, the receiving Party will give the disclosing Party prompt notice of such request so that the disclosing Party may seek an appropriate protective order or other remedy, or waive compliance with the relevant provisions of this Agreement. The disclosing Party must notify the receiving Party within ten (10) days from its receipt of such notice that it intends to take action in response to the request for disclosure. If the disclosing Party seeks a protective order, confidential treatment, or other legally permitted remedy, the receiving Party, at the disclosing Party's expense, will cooperate with and assist the disclosing Party in such efforts. Failure of the disclosing Party to intervene shall not waive the receiving Party's obligations to maintain the confidentiality of such Confidential Information except in so far as the receiving Party must comply with the terms of such process compelling disclosure.

F. The terms and conditions of this Agreement and any Task Order will be deemed "Confidential Information" and may not be disclosed by either Party without the prior written consent of the other Party except as provided in Section 8.E; *provided, however*, that SPONSOR may disclose the terms and conditions of this Agreement and any Task Order to prospective and actual collaborators, investors, acquirers, or other third parties in connection with any prospective or actual financing, acquisition, or related transaction.

9. RIGHTS IN PROPERTY

A. All materials, documents, data, software and information of every kind and description supplied to MEDPACE by or on behalf of SPONSOR hereunder ("SPONSOR Materials") remain the property of SPONSOR.

B. All materials, documents, data, software and information of every kind and description prepared, developed, or generated by MEDPACE pursuant to this Agreement (except for the pre-existing MEDPACE procedural manuals, personal data, methods, procedures, and policies) and all data and information collected, generated, or derived by MEDPACE as the result of Services performed by it under this Agreement, including without limitation study materials, study data, case report forms, and reports (collectively, all of the foregoing shall be "Work Product") shall be the sole and exclusive property of SPONSOR.

C. SPONSOR shall have the right to make whatever use it deems desirable of any SPONSOR Materials or Work Product. MEDPACE shall not, without the prior written consent of SPONSOR, publish, disseminate, or otherwise disclose to any third party any SPONSOR Materials or Work Product (except such disclosure as may be required by law), or use any SPONSOR Materials or Work Product for any purpose other than the performance of this Agreement.

D. Any inventions, discoveries, developments, or other intellectual property, including without limitation patents, trade secrets, copyrights and trademarks, and any improvements thereof, that may (i) evolve from SPONSOR Materials or Work Product or (ii) arise as the result of Services performed by MEDPACE under this Agreement ("SPONSOR Inventions") shall belong exclusively to SPONSOR.

E. SPONSOR acknowledges that all computer programs, software, applications, databases, proposals and other documentation that is (i) generally used by MEDPACE and (ii) not directly related to or derived from the Services or developed solely for SPONSOR are the exclusive and confidential property of MEDPACE or the third parties from whom MEDPACE has secured the right of use. SPONSOR agrees that any improvement, alteration or enhancement to MEDPACE systems, software, applications or processes which are developed or implemented during the course of any Services performed hereunder, without the use of any SPONSOR Materials or SPONSOR Confidential Information (or derivatives thereof), shall be the property of MEDPACE.

10. INTELLECTUAL PROPERTY

A. MEDPACE hereby assigns to SPONSOR any and all right, title, and interest that MEDPACE may have in any and all SPONSOR Inventions.

B. MEDPACE shall disclose promptly to SPONSOR any and all SPONSOR Inventions and any other inventions, discoveries and improvements conceived or made by MEDPACE while providing Services to SPONSOR pursuant to the Agreement.

Whenever requested to do so by SPONSOR, MEDPACE shall, at SPONSOR's reasonable cost and expense, execute any and all applications, assignments, or other instruments and give testimony which SPONSOR shall deem necessary to apply for and obtain a patent in the United States of America and/or other applicable jurisdiction or of any foreign country or to protect otherwise SPONSOR's interests.

11. PUBLICITY

A. MEDPACE shall not make any public announcements concerning this Agreement or the subject matter hereof without the prior written consent of SPONSOR.

B. Except as otherwise expressly permitted by this Agreement, neither Party may use the other Party's name, logo or trademark in any communication, release, notice or other publication without the prior written consent of other Party.

12. SECURITY AND DISPOSITION OF STUDY FILES

A. MEDPACE shall use commercially reasonable efforts, including but not limited to periodic backup of computer files, to prevent the loss or alteration of Work Product, SPONSOR's study data, SPONSOR Confidential Information, documentation, and correspondence. MEDPACE shall in all respects comply with any Food and Drug Administration regulations, and any international counterparts thereof, concerning the maintenance, creation and storage of records, including electronic records.

B. At appropriate time points or at completion of Services under a Task Order, MEDPACE shall transfer Work Product and any other study materials, documents and correspondence to SPONSOR. MEDPACE shall have the right to retain one copy of any Work Product or other study materials, documentation, and correspondence necessary solely to meet regulatory or MEDPACE's own internal audit requirements, so long as it continues to maintain the confidentiality obligations of Article 8.

C. Within [***] of SPONSOR's written request, MEDPACE shall transfer to SPONSOR any and all clinical databases per SPONSOR's written specifications, [***].

13. SPONSOR OBLIGATIONS

SPONSOR acknowledges that performance of the Services by MEDPACE will require the co-operative involvement of both Parties, and SPONSOR hereby agrees to provide such assistance as may be reasonably necessary to enable MEDPACE to perform the Services.

14. INDEMNIFICATION; INSURANCE

A. SPONSOR shall indemnify, defend and hold harmless MEDPACE from and against any and all damages, losses, liabilities, costs or expenses (collectively, "Damages"), resulting or arising from any third party claims, demands, assessments, actions, suits, investigations or proceedings (collectively, "Claims"), relating to or arising from or in connection with this [***].

B. MEDPACE shall indemnify, defend and hold harmless SPONSOR from and against any and all Damages resulting or arising from any third party Claims relating to or arising from or in connection [***].

C. The Party seeking indemnification (the "Indemnified Party") from the other Party (the "Indemnifying Party") will promptly notify the Indemnifying Party of any third party Claim giving rise to indemnification hereunder. The Indemnifying Party shall have the right to control the defense and settlement of any Claims or Damages, *provided*, *however*, that the Indemnifying Party will make no admission to, nor any settlement or agreement with, any third party, without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld. The Indemnified Party shall have the right to obtain separate legal counsel at its own expense if it so chooses and shall reasonably cooperate in the defense of any Claims or Damages.

D. Each Party shall secure and maintain in full force and effect throughout the term of the Agreement commercially reasonable levels of insurance adequate in scope to cover its performance under this Agreement and any Task Orders. Each Party shall, upon request by the other Party, provide a copy of a certificate evidencing its insurance coverage to the other Party.

15. LIMITATION OF LIABILITY

EXCEPT WITH RESPECT TO A BREACH OF ARTICLE 8 OR THIRD PARTY CLAIMS FOR WHICH A PARTY MAY BE INDEMNIFIED PURSUANT TO SECTIONS 14.A AND 14.B, IN NO EVENT SHALL SPONSOR OR MEDPACE BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS ARISING OUT OF THE PROVISION OF SERVICES HEREUNDER, EVEN IF THE BREACHING PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

16. INSPECTIONS AND AUDITS

A. SPONSOR, or its designee, shall have the right to monitor the operations of MEDPACE hereunder, and representatives of SPONSOR, or its designee, shall have the right to visit any of the facilities where MEDPACE is performing any of the Services and during such visits to inspect the work being done and materials used, to observe the procedures being followed, and to examine the books, records and other data relevant to the Services. SPONSOR, or its designee, shall have the right, during the term of this Agreement and for [***] after expiration or any termination of this Agreement, upon at least [***] prior written notice to MEDPACE, to examine the standard operating procedures, facilities, books, records, papers, files and documentation, including computer files, databases and records, at MEDPACE's facilities, (i) to determine the adequacy of such records, (ii) to ensure the Services are being performed or were performed in accordance with the approved Task Orders and applicable laws and regulations, and/or (iii) to examine the financial records of MEDPACE as may be reasonably necessary to verify out-of-pocket expenses incurred during the performance of the Services.

B. In the event of an inquiry or inspection by the FDA or any regulatory or governmental authority relating to the Services performed hereunder, MEDPACE shall: (i) notify SPONSOR within [***] after MEDPACE first learns of such inquiry or inspection, (ii) forward to SPONSOR within [***] copies of any correspondence relating to such inquiry or inspection, (iii) notify SPONSOR promptly of any actions taken in response to or in anticipation of such inquiry or inspection, and (iv) notify SPONSOR promptly of the results of any such inquiry or inspection, including requested or required improvements, changes or modifications to the Services. Where reasonably practicable, and to the extent permitted under applicable law, SPONSOR will be given the opportunity to have a representative present during any inspection and to review and comment on responses given to the FDA or regulatory or governmental authority prior to MEDPACE's making such responses.

C. MEDPACE shall provide reasonable assistance, including making available members of its staff and providing access to all requested records, to facilitate such inspections and audits.

D. MEDPACE shall take all reasonable steps required by SPONSOR to cure any deficiencies found in any audit, inspection or investigation.

17. DEBARMENT

A. MEDPACE hereby represents, warrants, and certifies that neither it nor any of its officers, directors, owners, principals or employees has been or will be at any relevant time hereunder debarred under Section 306 of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §335a(a) or (b), or similar local law. In the event that any such party becomes debarred, MEDPACE shall notify SPONSOR in writing immediately.

B.

MEDPACE hereby represents, warrants, and certifies that it has not and shall not use in any capacity the services of any individual, corporation, partnership, or association which has been debarred under Section 306 of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §335a(a) or (b), or similar local law. In the event MEDPACE becomes aware of or receives notice of the debarment of any individual, corporation, partnership, or association providing services to MEDPACE, which relate to the Services being provided under this Agreement, MEDPACE shall notify SPONSOR in writing immediately.

18. NON SOLICITATION

Neither Party and its Affiliates shall during the term of this Agreement and for a period of [***] following its termination, either directly or indirectly hire any employee of the other Party with whom it comes into contact as a result of performing under this Agreement, or recruit, solicit, or entice any such person to become employed by it or any Affiliate and shall not approach any such employee for such purpose or encourage, authorize or approve the taking of such action by any other person. The Parties agree that any breach of this provision would cause irreparable harm and that in addition to any and all other available remedies, injunctive relief, without the necessity of a bond or other security, shall be appropriate and available.

19. ENTIRE AGREEMENT; CONFLICTS

A. This Agreement and the exhibits attached hereto contain the full understanding of the Parties with respect to the subject matter hereof and supersede all existing agreements, including without limitation the CDA, and all other oral, written or other communications between the Parties concerning the subject matter hereof. This Agreement shall not be amended, modified or supplemented in any way except in writing and signed by a duly authorized representative of SPONSOR and MEDPACE.

B. In the event that there is any conflict between the provisions of this Agreement and any exhibit hereto, this Agreement shall control.

20. GOVERNING LAW

This Agreement and the performance hereof shall be governed, interpreted and construed in all respects by the internal laws of the State of Delaware.

21. NO WAIVER

No waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provisions, or conditions, or of any other term, provision, or condition of this Agreement.

22. INDEPENDENT CONTRACTOR

In fulfilling its obligations pursuant to this Agreement, each Party shall be acting as an independent contractor. Neither Party is granted any right or authority to assume or to create any obligation or responsibility, expressed or implied, on behalf of or in the name of the other Party.

23. FORCE MAJEURE

Neither Party shall be liable or deemed to be in material breach for any delay due to causes beyond the reasonable control of the Party, such as war, acts or threats of terrorism, civil disorders, acts of God, or government action ("Force Majeure"); *provided*, *however*, that the affected Party promptly notifies the other Party of the cause and its effects on the Services to be performed hereunder and uses commercially reasonable efforts to overcome such occurrence; and provided that if any such Force Majeure lasts for more than [***], the Party not subject to such Force Majeure may terminate this Agreement pursuant to Section 6.B. Financial difficulty shall never be deemed a Force Majeure event.

24. SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable, the remaining provisions shall remain in full force and effect.

25. ASSIGNMENT

A. Except as set forth herein, neither Party shall assign this Agreement or any Task Order except with the express prior written consent of the other Party, which consent shall not be unreasonably withheld.

B. Notwithstanding anything contained herein, a Party may assign this Agreement and/or any Task Order without the prior consent of the other Party, to a successor in interest to such Party by way of merger, consolidation, other business reorganization, operation of law, or the sale of all or substantially all of its assets to which this Agreement pertains, provided that such successor in interest expressly assumes in writing the obligation to perform in accordance with the terms and conditions of this Agreement.

C. Any assignment or transfer not in accordance with this Article 25 shall be null and void.

26. SUBCONTRACTING

MEDPACE [***]. MEDPACE shall include in each contract with each [***] subcontractor [***], including without limitation compliance with law, obligations of confidentiality, and allocation of intellectual property rights.

27. COUNTERPARTS

This Agreement may be executed in multiple counterparts, including by facsimile or electronic exchange of signed copies in PDF format, each of which shall be deemed an original document, and all of which, together with this writing, shall be deemed one instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

MEDPACE, INC.

Signature: /s/ John Wynne

By: John Wynne

Title: Executive Director, Business Development Support

BIOGENERICS, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear

Title: Chief Executive Officer

EXHIBIT A

FORM OF TASK ORDER

MEDPACE Task Order Number: _____

MEDPACE Project Number: _____

This Task Order, dated _____, is between **Medpace, Inc.** ("MEDPACE"), and **BioGenerics, Inc.** ("SPONSOR").

RECITALS:

WHEREAS, MEDPACE and SPONSOR have entered into that certain Master Services Agreement dated January 23, 2012 (the "Master Services Agreement"); and

WHEREAS, pursuant to the Master Services Agreement, MEDPACE has agreed to perform certain Services in accordance with Task Orders from time to time entered into by the Parties, and SPONSOR and MEDPACE now desire to enter into such a Task Order; and

WHEREAS, MEDPACE and SPONSOR desire that MEDPACE provide certain services with respect to _____ (the "Study") for the study of the product _____ ("Study Product") as set out in the Protocol Number: _____, which is incorporated herein by reference and attached hereto as Appendix 6;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. **Scope of Work**. MEDPACE shall perform the services described in the Scope of Work, attached hereto as Appendix 1, in accordance with the Project Schedule, attached hereto as Appendix 2 and any other documents attached to and specifically referenced in this Task Order ("Services").
2. **Compensation**. For performance of these Services, SPONSOR shall pay to MEDPACE an amount equal to the Project Budget set forth in Appendix 3, which amount shall be payable pursuant to the Payment Schedule set forth in Appendix 4. [***]. It is agreed that [***]. After staff are assigned, [***].
3. **Transfer of Obligations.** Sponsor Obligations transferred to MEDPACE by SPONSOR (consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D) are identified in Appendix 5.
4. **MSA.** The provisions of the Master Services Agreement are hereby expressly incorporated by reference into and made a part of this Task Order.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

IN WITNESS WHEREOF, the Parties have hereunto signed this Task Order effective as of the day and year first written above.

MEDPACE, INC.

Signature: _____

By: _____

Title: _____

BIOGENERICS, INC.

Signature: _____

By: Dennis M. Lanfear

Title: Chief Executive Officer

List of Appendices:

Appendix 1: Scope of Work
Appendix 2: Project Schedule
Appendix 3: Project Budget
Appendix 4: Payment Schedule
Appendix 5: Transfer of Obligations
Appendix 6: Protocol

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

TASK ORDER

MEDPACE Task Order Number: 13

MEDPACE Project Number: CHS02142

This Task Order, dated October 18, 2013, is between **Medpace, Inc.** ("**MEDPACE**"), and **Coherus Biosciences, Inc.** ("**SPONSOR**").

RECITALS:

WHEREAS, MEDPACE and SPONSOR have entered into that certain Master Services Agreement dated January 23, 2012 (the "Master Services Agreement"); and

WHEREAS, pursuant to the Master Services Agreement, MEDPACE has agreed to perform certain Services in accordance with Task Orders from time to time entered into by the Parties and SPONSOR and MEDPACE now desire to enter into such a Task Order; and

WHEREAS, MEDPACE and SPONSOR desire to engage Medpace to perform initial certain services ("Services") as set forth hereinafter in connection with a Phase 3, A Double Blind, Randomized, Parallel Group, Active Control Study to Compare the Efficacy and Safety of CHS 0214 DP Versus Enbrel® in Subjects With Rheumatoid Arthritis and Inadequate Response to Treatment With Methotrexate (METEOR) ("Project") , which is incorporated herein by reference;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. Scope of Work. MEDPACE shall perform the initial services set forth in Appendix A, any other documents attached to and specifically referenced in this Task Order and any other initial services agreed to by both Parties ("Initial Services"). The Initial Services must be conducted in compliance with the bid proposal provided by MEDPACE on September 3, 2013. The bid proposal is incorporated herein by reference and made a part of this Task Order.

2. Compensation. For performance of these Services, SPONSOR shall pay to MEDPACE according to terms set forth in Appendix A and the bid proposal for other initial activities requested. The Parties agree that [***]. After staff is assigned, [***].

3. Term. In addition to the termination rights provided in Section 6 of the MSA, upon execution by the Parties of a Task Order to provide the remaining Services for the Study, this Task Order #14 shall be deemed terminated and superseded by such agreement.

4. MSA. The provisions of the Master Services Agreement are hereby expressly incorporated by reference into and made a part of this Task Order.

IN WITNESS WHEREOF, the Parties have hereunto signed this Task Order effective as of the day and year first written above.

MEDPACE, INC.

Signature: /s/ John Wynne

By: John Wynne
(print name)

Title: Executive Director
Business Development Support

Date: Dec 6 2013

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear
(print name)

Title: President & CEO

Date: 12/4/2013

List of Appendices:

Appendix A: Scope of Work
Appendix B: Timeline
Appendix B: Services, Budget
Appendix C: Payment Schedule

APPENDIX A: SCOPE OF WORK

1.1 PARAMETERS

ITEM	DESCRIPTION	
	[***]	[***]
	[***]	[***]
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	

1.2 PROJECT START-UP

[***]	[***]	[***]	ITEM	DESCRIPTION
[***]			[***]	
	[***]		[***]	[***]
[***]			[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

1.3 CLINICAL OPERATIONS

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]	[***]	[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
[***]			[***]	
[***]			[***]	
[***]			[***]	
	[***]	[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

1.4 CLINICAL MONITORING

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]

1.5 CLINICAL SAFETY

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]

1.6 [***] SYSTEM

[***]	[***]	[***]	ITEM	DESCRIPTION

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

1.7 DATA MANAGEMENT

[***] [***] [***]	ITEM	DESCRIPTION
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

1.8 STATISTICAL ANALYSIS

[***] [***] [***]	ITEM	DESCRIPTION

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

1.9 DATA SAFETY MONITORING BOARD

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	
[***]			[***]	

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX B: TIMELINE

TASK	DATE
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX C: SERVICES AND BUDGET

SERVICES & BUDGET:

Service Category	Direct Fees (USD)
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	**[***]**
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
Total Direct Fees	**[***]**

Pass-Through/Pre-Funded Services	**PT/PF Fees (USD)**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
Total Pass-Through/Pre-Funded Services	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX D: PAYMENT SCHEDULE

PAYMENT SCHEDULE:

Payment Schedule

Project:	**CHS-0214-02**	**Total Direct Fees:**	**[***]**
Sponsor:	**Coherus Biosciences**		

Payment #	Payment Description/Type	Invoice Date	Amount to Pay	Percentage
[***]	[***]	[***]	[***]	[***]
		Total Payments:	**[***]**	**100.00%**

[***] of this Task Order [***] of the total Pre-funded Expenses are due. [***]. SPONSOR shall pay such invoice within [***] of receipt. [***] received from SPONSOR, [***].

Additionally, [***] of the total estimated Pass-through Costs are due [***]. Pass-through Costs will be billed to SPONSOR [***].

Pass-through Costs and Pre-funded Expenses

Any sums quoted with respect to Pass-through Costs and Pre-funded Expenses [***]. While MEDPACE will [***]. Payments made to third parties are [***].

Pass-through Costs may include, but are not limited to, [***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***]. Costs associated with, [***] are as detailed in the table below.

Item	Cost*	Description
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	[***]
[***]	[***]	[***]

* Currency is [***]. Costs are subject to change based on [***].

MEDPACE will pass-through [***]. This will include [***].

Item	Cost	Description
[***]	[***]	[***]
[***]	[***]	

* Currency is [***]

Pre-funded Expenses

Pre-funded Expenses may include, but are not limited to, [***].

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Investigator fees are [***]. The investigator fee amount [***]. The laboratory fee amount [***].

Additional Costs

[***]

All Direct Fees are [***]. All such changes [***]. After staff are assigned, [***].

Inflation

[***]

Currency and Exchange Rate

The currency of this Task Order is United States Dollars

MEDPACE will invoice SPONSOR for Investigator payments [***]. The Direct Fees detailed in this Task Order were calculated using the [***]. [***]. [***].

COUNTRY	CURRENCY	1 USD (as of DD-MMM-2013) =
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

Applicable Taxes

All Direct Fees, Pass-through Costs, and Pre-funded Expenses are quoted excluding any [***], which include but are not limited to [***], which may be payable to MEDPACE by SPONSOR.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.16(b)

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Coherus BIOSCIENCES

PURCHASE ORDER

Purchase Order No: 2054

Date: 04/23/2014

VENDOR:
Medpace, Inc.
5375 Medpace Way
Cincinnati, OH45227
United States
T: F:
Email:

SHIP TO:
Coherus Bioscience, Inc.
ATTN: Barbara Finck
201 Redwood Shores Parkway, Suite 200
Redwood City, CA 94065
T: 650-649-3530
E: bfinck@coherus.com

REQUISITIONER	SHIP BY	SHIPPED VIA	F.O.B. POINT	TERMS
Barbara Finck		Best Method	Destination	Net 30

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
[***]	Each	Per Amendment #1 to Task Order #13. Pass Through Costs.	[***]	[***]
			TOTAL	**[***]**

Please reference PO number on all invoices, shipping documents and related correspondence. Thank you!

BILL TO: COHERUS BIOSCIENCES, INC.
ATTN: Accounts Payable
201 Redwood Shores Parkway, #200
Redwood City, CA 94056 – USA
T: 650-649-3530 F: 866-491-7350

/s/ J. M. Clark — 4/23/14
Authorized by — Date

AMENDMENT #1 TO TASK ORDER #13

COHERUS Project Number. CHS-0214-02

MEDPACE Project Number: ETA302

This Amendment #1 ("Amendment #1") to Task Order #13 effective as of October 18, 2013 ("Task Order"), is by and between **Coherus Biosciences, Inc.**, a Delaware corporation with its principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 ("Sponsor"), and **Medpace, Inc.**, with its principal place of business at 5375 Medpace Way, Cincinnati, Ohio 45227 ("Medpace"). This Amendment #1 shall be effective April 23, 2014.

WITNESSETH:

WHEREAS, the Parties have entered into Task Order pursuant and subject to the terms of the Master Service Agreement dated January 23, 2012, (the "Master Service Agreement"); and

WHEREAS, the Parties desire to amend Task Order in connection with A Phase 3, Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 Versus Enbrel® in Subjects With Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate (METEOR) to add Medpace Reference Laboratories ("MRL") Services and Fees, which includes [***] vendor services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows to the revised Scope of Work.

1. Appendix A: Scope of Work, attached to Task Order #13 is hereby amended to include MRL and [***] start-up services included in Appendix F attached to this Amendment #1.
2. Appendix B: Services, Budget, attached to Task Order #13 is hereby amended to include MRL and [***] fees included in Appendix F attached to this Amendment #1.
3. As a result of the increase in the Budget, Appendix C: Payment Schedule, attached to Task Order #13 is hereby amended to increase the [***] upfront payment of Pass-through Costs by [***], which increase is due upon execution of this Amendment #1.
4. Sponsor Obligations transferred to Medpace by Sponsor (consistent with the regulations set forth in 21 C.F.R. Section 312, Subpart D) are identified in Appendix E attached to this Amendment #1.

The total amount payable by Sponsor to Medpace under this Amendment #1 for Medpace Direct Fees, Pass-through Expenses, and Pre-funded Expenses shall not exceed the amount of

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] without prior written consent of both parties. The total value of the Task Order and all subsequent amendments is now [***].

	Direct Fees	Pass Through Costs	Pre-funded Expenses	TOTAL
Task Order #13	[***]	[***]	[***]	[***]
Amendment #1	[***]	[***]	[***]	[***]
TOTAL	[***]	[***]	[***]	[***]

All other provisions of the Agreement and Task Order shall remain unchanged and in effect.

IN WITNESS WHEREOF, the Parties have hereunto signed this Amendment #1 to Task Order in their official capacities which shall be effective on the day and year listed above.

MEDPACE, INC.

Signature: /s/ John Wynne

By: John Wynne
(Print Name)

Title: Vice President
Commercial Operations

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear
(Print Name)

Title: President & CEO 4/23/14

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX E: TRANSFER OF OBLIGATIONS

CONFIDENTIAL

Directions: Complete the form below for Sponsor obligations that have been transferred in accordance with 21 CFR Part 312, Subpart D (Responsibilities of Sponsors). Forward the completed form to Sponsor's Regulatory Affairs Department for submission to the applicable regulatory agencies.

Drug:	CHS-0214 Versus Enbrel®	Study ID:	CHS-0214-02
Study Title:	A Phase 3, Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 Versus Enbrel® in Subjects With Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate (METEOR)		
CRO Name:	Medpace		
CRO Address:	5375 Medpace Way, Cincinnati, Ohio 45227		

OBLIGATIONS TRANSFERRED TO MEDPACE: ☒ THE APPROPRIATE BOX(ES).

☐ All obligations in 21 CFR 312, Subpart D (Responsibilities of Sponsors) have been transferred to Medpace.

☒ The following obligations have been transferred to Medpace:

Sec. 312.32: IND Safety Reports

☐ Promptly review safety information.

☒ Notify all participating investigators in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

☐ Notify the FDA in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

Sec. 312.53: Selecting investigators and monitors

☒ (a) Select qualified investigators

☒ (b) Control investigational drug shipment

☒ (c) Obtain information from investigators

- ☒ (1) Signed Form FDA-1572
- ☒ (2) CV or other qualification statement
- ☒ (3) Clinical protocol outline
- ☒ (4) Financial disclosure information

☒ (d) Select qualified monitors

Sec. 312.54: Emergency research

☐ (a) Monitor the progress of all studies involving an exception from informed consent.

☒ (b) Monitor such studies to identify when an

Sec. 312.57: Record keeping and record retention

☒ (a) Maintain adequate records showing investigational drug receipt, shipment, or other disposition.

☒ (b) Maintain complete and accurate records showing any financial interests of the investigator subject to 21 CFR 54.

☒ (c) Retain the records and reports required by the regulations for 2 years after the marketing application is approved, or if not approved, until 2 years after investigational drug shipment is discontinued and FDA has been notified.

☐ (d) Retain reserve samples of any test article and reference standard identified and used in bioequivalence or bioavailability studies.

Sec. 312.58: Inspection of Sponsor's records and reports

☒ (a) Permit FDA personnel to have access to and copy and verify any records and reports related to the clinical

IRB determines that it can't approve the research.

Sec. 312.55: Informing investigators

☒ (a) Provide sites with the current Inv. Brochure.

☒ (b) Inform investigators of new observations on the drug, particularly with respect to AEs and safe use.

Sec. 312.56: Review of ongoing investigations

☐ (a) Monitor the progress of all IND studies.

☒ (b) Secure compliance from noncompliant investigators or discontinue drug shipments and end the investigator's participation in the study.

☒ (c) Review and evaluate the safety and efficacy results as it is obtained from the investigator.

☒ (d) Discontinue use of the investigational drug if it is determined to present an unreasonable and significant risk to subjects, notify all IRBs and investigators, and assure the return or alternate disposition of the drug from the investigators.

investigation.

☒ (b) Permit DEA personnel to have access to and copy records related to the shipment, delivery, receipt and disposition of any investigational controlled substance. Assure adequate storage precautions are taken for investigational new drug substances listed in any schedule of the Controlled Substances Act.

Sec. 312.59: Disposition of unused supply of investigational drug

☒ Assure the return (or alternate disposition) of all unused supplies of the investigational drug from each discontinued/terminated investigator; maintain written records of any disposition of the investigational drug.

Other

☐ Please describe any other applicable transfers below:

APPENDIX F: MRL AND [***] Services and Budget

Sponsor: Coherus Biosciences 22-Apr-14
Protocol: CHS-0214-02 Start-up

[***]		**[***]**
	[***]	[***]
	[***]	[***]
Total Medpace Reference Laboratories Fees		**[***]**

Medpace Laboratory

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02 Start-up **[***]**

Number of Analyses Per Visit

	Unit Cost	Screening W-4	Total Number of Units	Cost	Subtotal
Laboratory Tests					**[***]**
[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	
Laboratory Support Services					**[***]**
[***]					
[***]	[***]		[***]	[***]	
[***]	[***]				
[***]	[***]				
[***]	[***]		[***]	[***]	
[***]	[***]	[***]	[***]	[***]	
[***]	[***]				
[***]	[***]		[***]	[***]	

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

	[***]	[***]		[***]	[***]
[***]					
	[***]	[***]	[***]	[***]	[***]
	[***]	[***]		[***]	[***]
	[***]	[***]		[***]	[***]
	[***]	[***]		[***]	[***]
	[***]	[***]		[***]	[***]
Total Medpace Reference Laboratory Fees					**[***]**

Medpace Reference Laboratories Pass Through Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02 Start-up

			Total Cost	**Subtotal**
Pass Through Estimates				**[***]**
[***]				
	[***]	[***]		
	[***]	[***]		
Total Estimated Medpace Reference Laboratory Pass-Through Fees				**[***]**

Transportation Costs

Country	Sites	Number Screened	Number Ambient/Refrigerate Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
Total	[***]	[***]	[***]		[***]		[***]		[***]		[***]		
					[***]		[***]		[***]		[***]		[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

Date, Version: [***]
Prepared by [***]: [***]
Prepared for [***]: [***]
Client & Protocol: Medpace – CHS-0214-02
Phase: III
[***]: [***]
[***]: [***]
[***]: [***]
[***]: [***]
[***]: [***]

	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]: [***]			[***]	[***]	[***]	
[***]: [***]			[***]	[***]	[***]	
[***]: [***]			[***]	[***]	[***]	
[***]: [***]			[***]	[***]	[***]	
[***]						
[***]			[***]	[***]	[***]	[***]
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[***]						**[***]**
[***]			[***]	[***]	[***]	**[***]**
***Total* [***]**						**[***]**

* [***].

Notes:

1 [***].

2 [***].

3 [***].

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

4 [***].

5 [***].

6 [***].

7 [***].

8 [***].

9 [***].

10 [***].

11 [***].

ASSUMPTIONS:

1 [***]

2 [***].

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] Estimated Budget
CONFIDENTIAL
[***]: [***]

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

[***]: [***]
Date, Version: [***]
Client & Protocol: Medpace – CHS-0214-02
[***]: [***]
[***]: [***]
[***]: [***]
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	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]				[***]	[***]
[***]						[***]
***Total* [***]**						[***]

[***] Notes:

1 [***]

Additional [***] Clinical Trials Services

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

[***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]						
[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Total [***]	**[***]**

[***] Notes:

[***] Estimated Budget
CONFIDENTIAL
[***]: [***]

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

[***]
Date, Version: [***]
Client & Protocol: Medpace – CHS-0214-02
[***]: [***]
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		Unit Price [***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
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	[***]							[***]
Total [***]								[***]

[***] Notes:

1 [***]

Additional [***] Clinical Trials Services

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

[***]	Unit Price [***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
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[***]	[***]	[***]	[***]	[***]	[***]		[***]
Total [***]							[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***] Estimated Budget
CONFIDENTIAL
[***]: [***]

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[***]
[***]
Date, Version: [***]
Client & Protocol: Medpace – CHS-0214-02
[***]: [***]
[***]: [***]
[***]: [***]
[***]: [***]

		Unit Price [***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]								
[***]		[***]	[***]	[***]	[***]	[***]	[***]	
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[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]							[***]
Total [***]								**[***]**

[***] Notes:

1 [***]

Additional [***] Clinical Trials Services

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

[***]	[***]	Unit Price	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]								
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]								
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Total [***]								[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

I [***]		**[***]**	**[***]**
[***]			
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

II [***]			
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

III [***]			
[***]			
[***]			
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]
[***]			

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

AMENDMENT #2 TO TASK ORDER #13

COHERUS Project Number: CHS0214-02

MEDPACE Project Number: ETA302

This Amendment #2 ("Amendment #2") to Task Order #13 effective as of 18 October 2013 ("Task Order"), is by and between **Coherus Bioscience, Inc.**, a Delaware corporation with its principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 ("Sponsor"), and **Medpace, Inc.**, with its principal place of business at 5375 Medpace Way, Cincinnati, Ohio 45227 ("Medpace"). This Amendment #2 shall be effective 21 May 2014.

WITNESSETH:

WHEREAS, the Parties have entered into Task Order pursuant and subject to the terms of the Master Service Agreement dated 23 January 2012, (the "Agreement"); and

WHEREAS, the Parties desire to amend Task Order in connection with a Phase 3, A Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 DP Versus Enbrel® in Subjects with Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate to include a portion of the Investigator payments for sites in Japan.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows to the revised Scope of Work:

1. The [***] Fees line item included under the Pre-Funded Expenses category in Appendix C: Services and Budget is hereby increased from [***] to [***]. ("Increase").

2. As a result of the increase in the Budget, Appendix D: Payment Schedule, attached to the Task Order is hereby amended to include the following:

   A total of [***] is due upon execution of Amendment #2. The remainder of the Increase will be paid in accordance with the terms of Appendix D: Payment Schedule, attached to the Task Order.

The total amount payable by Sponsor to Medpace under this Amendment #2 for Medpace Direct Fees, Pass-through Expenses, and Pre-funded Expenses shall not exceed the amount of [***] without prior written consent of both parties. The total value of Task Order and all subsequent amendments is now [***].

	Direct Fees	Pass Through Costs	Pre-funded Expenses	TOTAL
Task Order #13	**[***]**	**[***]**	**[***]**	**[***]**
Amendment #1	**[***]**	**[***]**	**[***]**	**[***]**
Amendment #2	**[***]**	**[***]**	**[***]**	**[***]**
TOTAL	**[***]**	**[***]**	**[***]**	**[***]**

All other provisions of the Agreement and Task Order shall remain unchanged and in effect.

IN WITNESS WHEREOF, the Parties have hereunto signed this Amendment #2 to Task Order in their official capacities which shall be effective on the day and year listed above.

MEDPACE, INC.

Signature: /s/ John Wynne

By: John Wynne
(Print Name)

Vice President
Title: Commercial Operations

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear
(Print Name)

Title: President & CEO

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

AMENDMENT #3 TO TASK ORDER #13

COHERUS Project Number: CHS0214-02

MEDPACE Project Number: ETA302

This Amendment #3 ("Amendment #3") to Task Order #13 effective as of 18 October 2013 ("Task Order"), is by and between Coherus Bioscience, Inc., a Delaware corporation with its principal place of business at 201 Redwood Shores Parkway, Suite 200 Redwood City, CA 94065 ("Sponsor"), and Medpace, Inc., with its principal place of business at 5375 Medpace Way, Cincinnati, Ohio 45227 ("Medpace"). This Amendment #3 shall be effective 30 May 2014.

WITNESSETH:

WHEREAS, the Parties have entered into Task Order pursuant and subject to the terms of the Master Service Agreement dated 23 January 2012, (the "Agreement"); and

WHEREAS, the Parties desire to amend Task Order in connection with a Phase 3, A Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 DP Versus Enbrel® in Subjects with Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate to increase the MRL and [***] fees included in the Budget.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows to the revised Scope of Work:

1. Appendix F: MRL and [***] Services and Budget attached to Task Order #13 is hereby amended by Appendix F attached to this Amendment #3.
2. The MRL and [***] Fees line item included under the Pass-through Expenses category in Appendix C: Services and Budget is hereby increased from [***] to [***]. ("Increase").
3. As a result of the Increase in the Budget, Appendix D: Payment Schedule, attached to the Task Order is hereby amended to include the following:

   A total of [***] is due upon execution of Amendment #3. The remainder of the Increase will be paid in accordance with the terms of Appendix D: Payment Schedule, attached to the Task Order.

The total amount payable by Sponsor to Medpace under this Amendment #3 for Medpace Direct Fees, Pass-through Expenses, and Pre-funded Expenses shall not exceed the amount of [***] without prior written consent of both parties. The total value of Task Order and all subsequent amendments is now [***].

	Direct Fees	Pass Through Costs	Pre-funded Expenses	TOTAL
Task Order #13	[***]	[***]	[***]	[***]
Amendment #1	[***]	[***]	[***]	[***]
Amendment #2	[***]	[***]	[***]	[***]
Amendment #3	[***]	[***]	[***]	[***]
TOTAL	**[***]**	**[***]**	**[***]**	**[***]**

All other provisions of the Agreement and Task Order shall remain unchanged and in effect.

IN WITNESS WHEREOF, the Parties have hereunto signed this Amendment #3 to Task Order in their official capacities which shall be effective on the day and year listed above.

MEDPACE, INC.

Signature: /s/ John Wynne

By: John Wynne
(Print Name)

Title: Vice President
Commercial Operations

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear
(Print Name)

Title: President & CEO 5/30/14

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total Medpace Reference Laboratories Fees	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02 **[***]**

[***]

		Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests																			**[***]**
	[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]		[***]		[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]		[***]		[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
	[***]	[***]	[***]	[***]				[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
	[***]	[***]	[***]													[***]	[***]		
Laboratory Support Services																			**[***]**
[***]																			
	[***]		[***]													[***]	[***]		
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		[***]	[***]													[***]	[***]		
		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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		[***]	[***]																
		[***]	[***]																
Total Medpace Reference Laboratory Fees																			**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences

Protocol: CHS-0214-02

									[***]								
									[***]								
	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests																	[***]
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]		[***]	[***]	[***]	
[***]	[***]	[***]	[***]		[***]		[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]		[***]		[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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Laboratory Support Services																	[***]
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[***]	[***]																
Total Medpace Reference Laboratory Fees																	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences **[***]**
Protocol: CHS-0214-02

[***]

	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests																		**[***]**
[***]	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**				**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**														**[***]**	**[***]**	
Laboratory Support Services																		**[***]**
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[***]	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
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[***]	**[***]**																	
[***]	**[***]**																	
Total Medpace Reference Laboratory Fees																		**[***]**

Prepared by:
MEDPACE
Confidential

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Pass Through Estimate

Sponsor: Coherus Biosciences Protocol: CHS-0214-02	Average Cost per Unit	Estimated Number of Units	Total Cost	Subtotal
Pass Through Estimates				**[***]**
[***]				
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**		**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]			**[***]**	
Total Estimated Medpace Reference Laboratory Pass-Through Fees				**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Transportation Costs

Country	Sites	Number Screened	Number Randomized	Number Ambient / Refrigerate shipments	Number Frozen Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Total	[***]	[***]	[***]	[***]	[***]		[***]		[***]		[***]		[***]
				[***]						[***]	[***]		
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							[***]		[***]		[***]		[***]

Prepared by:
MEDPACE
Confidential

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Costs **1 Resupplies per site**

Sites	Number Screened	Number Randomized	Number Ambient / Refrigerate shipments	Number Frozen Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]		[***]		[***]		[***]		[***]	
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CONFIDENTIAL

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

AMENDMENT #4 TO TASK ORDER #13

COHERUS Project Number: CHS-0214-02

MEDPACE Project Number: ETA302

This Amendment #4 ("Amendment #4") to Task Order #13 effective as of October 18, 2013 ("Task Order"), is by and between **Coherus Biosciences, Inc.**, a Delaware corporation with its principal place of business at 201 Redwood Shores Parkway, Suite 200, Redwood City, CA 94065 ("Sponsor"), and **Medpace, Inc.**, with its principal place of business at 5375 Medpace Way, Cincinnati, Ohio 45227 ("Medpace"). This Amendment #4 shall be effective August 19, 2014.

WITNESSETH:

WHEREAS, the Parties have entered into Task Order pursuant and subject to the terms of the Master Service Agreement dated January 23, 2012, (the "Master Service Agreement"); and subsequent Amendment #1 effective April 23, 2014, and Amendment #2 effective May 21, 2014, and Amendment #3 effective May 30, 2014, and

WHEREAS, the Parties desire to amend Task Order in connection with A Phase 3, Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 Versus Enbrel® in Subjects With Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate to modify the Services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows to the revised Scope of Work.

1. As a result of these changes, Appendices A, B, C, D, E, and F in Task Order will be deleted in their entirety and replaced with Appendices A, B, C, D, E, and F attached to this Amendment #4 and incorporated herein.
2. [***] Services and Budget is identified in Appendix G attached to this Amendment #4 and incorporated herein.
3. [***] is identified in Appendix H attached to this Amendment #4 and incorporated herein.
4. Notwithstanding anything to the contrary in this Task Order and its Appendices or the Master Service Agreement, the Parties agree [***] the Scope of Work (Appendix A) and/or the Services and Budget (Appendix C). In determining [***], as provided above, the Parties will [***], and incorporated herein.

The total amount payable by Sponsor to Medpace under this Amendment #4 for Medpace Direct Fees, Pass-through Expenses, and Pre-funded Expenses shall not exceed the amount of [***] without prior written consent of both parties. The total value of Task Order and all subsequent amendments is now [***], as further set forth in the following table:

	Direct Fees	Pass Through Costs	Pre-funded Expenses	TOTAL
Task Order #13	[***]	[***]	[***]	[***]
Amendment #1	[***]	[***]	[***]	[***]
Amendment #2	[***]	[***]	[***]	[***]
Amendment #3	[***]	[***]	[***]	[***]
Amendment #4	[***]	[***]	[***]	[***]
TOTAL	**[***]**	**[***]**	**[***]**	**[***]**

All other provisions of the Agreement and Task Order shall remain unchanged and in effect.

IN WITNESS WHEREOF, the Parties have hereunto signed this Amendment #4 to Task Order in their official capacities which shall be effective on the day and year listed above.

MEDPACE, INC.

Signature: /s/ August Troendle

By: August Troendle
(Print Name)

Title: President

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear

By: Dennis M. Lanfear
(Print Name)

Title: President & CEO

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Version	Pass Through		
	MRL Labs	Other	Total
Original		[***]	[***]
Amendment #1	[***]		[***]
Amendment #2			[***]
Amendment #3	[***]		[***]
Amendment #4	[***]	[***]	[***]
TOTAL	[***]	[***]	[***]

Version	Pre-Funded		
	[***]	Other	Total
Original	[***]	[***]	[***]
Amendment #1			[***]
Amendment #2	[***]		[***]
Amendment #3			[***]
Amendment #4	[***]	[***]	[***]
TOTAL	[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX A: SCOPE OF WORK

ITEM	DESCRIPTION
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

Investigator Meeting	Position	Count
[***]	[***]	[***]
[***]	[***]	[***]
[***]		[***]

PROJECT START-UP

[***]	[***]	[***]	ITEM	DESCRIPTION

Medpace Amendment #4 to TASK ORDER #13
Coherus Biosciences, Inc.
CHS-0214-02 / ETA 302

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

CLINICAL OPERATIONS

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
[***]	[***]		[***]	[***]
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	[***]	[***]	[***]
	[***]	[***]	

CLINICAL MONITORING

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

CLINICAL SAFETY

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

RANDOMIZATION AND SUPPLY MANAGEMENT

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

DATA MANAGEMENT

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]

[***]		[***]	[***]
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[***]		[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

STATISTICAL ANALYSIS

[***]	**[***]**	**[***]**	**ITEM**	**DESCRIPTION**
		[***]	[***]	[***]
		[***]	[***]	[***]
		[***]	[***]	
		[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

DATA SAFETY MONITORING BOARD

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	
[***]	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]

MEDICAL WRITING

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
[***]			[***]	
	[***]		[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX B: TIMELINE

Task	Date
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX C: SERVICES AND BUDGET

Medpace Service Category	**Fee**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total Service Fees	**[***]**

Prefunded & Pass-Through Expenses	**Fee**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***]	[***]
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[***]	[***]
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[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total Prefunded & Pass-Through Expenses	[***]
Grand Total of All Fees	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX D: PAYMENT SCHEDULE

Payment Schedule

Project: **CHS-0214-02 / ETA302** **Total Direct Fees: [***]**

Sponsor: **Coherus Bioscience, Inc.**

Payment #	Payment Description/Type	Invoice/Date	Amount to Pay	Percentage
[***]	**[***]**	**[***]**	**[***]**	**[***]**
Total of All Payments:		**[***]**		**100%**

* [***]

** [***]

The payment schedule above includes [***]. For each additional [***]. These units will be [***]. This unit cost does not include [***]. Pass-through expenses associated [***] will be invoiced [***].

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Sponsor paid [***] towards Pre-funded Expenses under Amendment #2 to Task Order #13. Upon execution of this Amendment #4, Sponsor will pay an additional [***] of the remaining total Pre-funded Expenses due per Appendix C: Services and Budget. Medpace will invoice Sponsor as needed for actual Pre-funded Expenses incurred. Sponsor shall pay such invoice within [***] of receipt. If sufficient funds are not received from Sponsor, [***]. Medpace shall apply the initial [***] Pre-funded amount paid at execution of this Amendment #4 against the last invoice of actual Pre-funded Expenses, and reconcile the balance.

Pass-through Costs will be billed to Sponsor on a monthly basis or as incurred. Sponsor shall pay such invoice within [***] of receipt.

Pass-through Costs and Pre-funded Expenses

Any sums quoted with respect to Pass-through Costs and Pre-funded Expenses [***]. While Medpace will [***]. Payments made to third parties are [***].

Pass-through Costs may include, but are not limited to, [***]. Costs associated with, [***] are as detailed in the table below.

Item	Cost*	Description
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	
[***]	[***]	[***]
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[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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

* Currency is [***]. Costs are subject to change based on fluctuations in supplier prices.

Medpace will pass-through [***]. This will include [***].

Item	Cost	Description
[***]	**[***]**	**[***]**
[***]	**[***]**	

* Currency is [***]

Pre-funded Expenses

Pre-funded Expenses may include, but are not limited to, [***]. Investigator fees are [***]. The investigator fee amount [***]. The laboratory fee amount [***]. With the exception of [***], Medpace will seek the prior written approval of the budget by Sponsor before signing an agreement (including amendments) with Pre-funded Vendors.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Additional Costs

[***].

All Direct Fees are [***]. Pursuant to Paragraph 3, all such changes [***]. After staff are assigned, [***].

Inflation

[***]

Currency and Exchange Rate

The currency of this Task Order is United States Dollars.

Medpace will invoice Sponsor for Pass-through Costs and Pre-funded Expenses incurred and/or [***]. The Direct Fees detailed in this Task Order were calculated using [***]. [***]. [***].

Country	Currency	as of [***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
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[***]	[***]	[***]
[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Applicable Taxes

All Direct Fees, Pass-through Costs, and Pre-funded Expenses are quoted excluding any [***], which include but are not limited to [***], which may be payable to Medpace by Sponsor.

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APPENDIX E: TRANSFER OF OBLIGATIONS

CONFIDENTIAL

Directions: Complete the form below for Sponsor obligations that have been transferred in accordance with 21 CFR Part 312, Subpart D (Responsibilities of Sponsors). Forward the completed form to Sponsor's Regulatory Affairs Department for submission to the applicable regulatory agencies.

Drug:	CHS-0214 Versus Enbrel® Study ID: CHS-0214-02
Study Title:	A Phase 3, Double-Blind, Randomized, Parallel-Group, Active-Control Study to Compare the Efficacy and Safety of CHS-0214 Versus Enbrel® in Subjects With Rheumatoid Arthritis and Inadequate Response to Treatment with Methotrexate
CRO Name:	Medpace
CRO Address:	5375 Medpace Way, Cincinnati, Ohio 45227

OBLIGATIONS TRANSFERRED TO MEDPACE: ☒ THE APPROPRIATE BOX(ES).

☐ All obligations in 21 CFR 312, Subpart D (Responsibilities of Sponsors) have been transferred to Medpace.

☒ The following obligations have been transferred to Medpace:

Sec. 312.32: IND Safety Reports

☐ Promptly review safety information.

☒ Notify all participating investigators in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

☐ Notify the FDA in a written IND safety report of any AE associated with the drug that is both serious and unexpected.

Sec. 312.53: Selecting investigators and monitors

☒ (a) Select qualified investigators

☒ (b) Control investigational drug shipment

☒ (c) Obtain information from investigators

- ☒ (1) Signed Form FDA-1572
- ☒ (2) CV or other qualification statement
- ☒ (3) Clinical protocol outline
- ☒ (4) Financial disclosure information

☒ (d) Select qualified monitors

Sec. 312.54: Emergency research

☐ (a) Monitor the progress of all studies involving an exception from informed consent.

Sec. 312.57: Record keeping and record retention

☒ (a) Maintain adequate records showing investigational drug receipt, shipment, or other disposition.

☒ (b) Maintain complete and accurate records showing any financial interests of the investigator subject to 21 CFR 54.

☒ (c) Retain the records and reports required by the regulations for 2 years after the marketing application is approved, or if not approved, until 2 years after investigational drug shipment is discontinued and FDA has been notified.

☐ (d) Retain reserve samples of any test article and reference standard identified and used in bioequivalence or bioavailability studies.

Sec. 312.58: Inspection of Sponsor's records and reports

☒ (a) Permit FDA personnel to have access to and copy and verify any records and reports related to the clinical

☒ (b) Monitor such studies to identify when an IRB determines that it can't approve the research.

Sec. 312.55: Informing investigators

☒ (a) Provide sites with the current Inv. Brochure.

☒ (b) Inform investigators of new observations on the drug, particularly with respect to AEs and safe use.

Sec. 312.56: Review of ongoing investigations

☐ (a) Monitor the progress of all IND studies.

☒ (b) Secure compliance from noncompliant investigators or discontinue drug shipments and end the investigator's participation in the study.

☒ (c) Review and evaluate the safety and efficacy results as it is obtained from the investigator.

☒ (d) Discontinue use of the investigational drug if it is determined to present an unreasonable and significant risk to subjects, notify all IRBs and investigators, and assure the return or alternate disposition of the drug from the investigators.

investigation.

☒ (b) Permit DEA personnel to have access to and copy records related to the shipment, delivery, receipt and disposition of any investigational controlled substance. Assure adequate storage precautions are taken for investigational new drug substances listed in any schedule of the Controlled Substances Act.

Sec. 312.59: Disposition of unused supply of investigational drug

☒ Assure the return (or alternate disposition) of all unused supplies of the investigational drug from each discontinued/terminated investigator; maintain written records of any disposition of the investigational drug.

Other

☐ Please describe any other applicable transfers below:

APPENDIX F: MRL AND [***] Services and Budget

See attached budget on next page.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Sponsor: Coherus Biosciences 8-Jul-14

Protocol: CHS-0214-02

[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
[***]	**[***]**
Total Medpace Reference Laboratories Fees	**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02

[***]

[***]

		Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
	Laboratory Tests																	**[***]**
	[***]	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	
	[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
	[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
	[***]	**[***]**	**[***]**	**[***]**				**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
	[***]	**[***]**	**[***]**													**[***]**	**[***]**	
	Laboratory/Support Services																	**[***]**
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	[***]	**[***]**														**[***]**	**[***]**	
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	[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
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	[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
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	[***]	**[***]**																
Total Medpace Reference Laboratory Fees																		**[***]**

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Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02

[***]

[***]

		Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
	Laboratory Tests																		**[***]**
	[***]	[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]		[***]	[***]	[***]	
	[***]	[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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	Laboratory/Support Services																		**[***]**
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	[***]	[***]																	
	[***]	[***]																	
Total Medpace Reference Laboratory Fees																			**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02

[***]

[***]

	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests																		**[***]**
[***]	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**		**[***]**		**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**				**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
[***]	**[***]**	**[***]**														**[***]**	**[***]**	
Laboratory/Support Services																		**[***]**
[***]																		
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
[***]																		
	[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
[***]																		
	[***]	**[***]**		**[***]**												**[***]**	**[***]**	
	[***]	**[***]**		**[***]**												**[***]**	**[***]**	
	[***]	**[***]**														**[***]**	**[***]**	
	[***]	**[***]**		**[***]**				**[***]**		**[***]**		**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
	[***]	**[***]**		**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**		**[***]**	**[***]**	
	[***]	**[***]**																
	[***]	**[***]**																
Total Medpace Reference Laboratory Fees																		**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-02

	Average Cost per Unit	Estimated Number of Units	Total Cost	Subtotal
Pass Through Estimates				
[***]				
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]	**[***]**		**[***]**	
[***]	**[***]**	**[***]**	**[***]**	
[***]			**[***]**	
Total Medpace Reference Laboratory Fees				**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Transportation Costs—ETA302 Sc. 1

Country	Sites	Number Screened	Number Randomized	Number Ambient & Refrigerate shipments	Number Frozen Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Total	[***]	[***]	[***]	[***]	[***]		[***]		[***]		[***]		[***]
				[***]						[***]	[***]		
				[***]						[***]	[***]		
				[***]						[***]	[***]		
				[***]						[***]	[***]		
				[***]						[***]	[***]		
				[***]						[***]	[***]		
							[***]		[***]		[***]		[***]
				*[***]									
				*[***]									

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Country	Sites	Number Screened	Number Randomized	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
Total	[***]	[***]	[***]		[***]		[***]		[***]		[***]	
					[***]		[***]		[***]		[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX G: [***].

See attached budget on next page.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Medpace, Inc.

Estimation Date: [***]

Estimate #: [***]

Cost Estimate

[***]
CHS-0214 Etanercept Biosimilar [***]

ITEMS	Price [***]	Price [***]
[***] Services		
1. [***]	**[***]**	**[***]**
2. [***]	**[***]**	**[***]**
3. [***]	**[***]**	**[***]**
Total	[***]	[***]
[***]		
1) [***]	**[***]**	**[***]**
2) [***]	**[***]**	**[***]**
3) [***]		
Total	**[***]**	**[***]**
Grand Total	**[***]**	**[***]**

Note

- [***]: [***]
- [***]: [***]
- [***]
- [***]
- [***]
- [***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- [***]
- [***]
- [***]

[***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Estimation Date: [***]
Estimate #: [***]

1. [***]

Detailed cost estimate

[***]
CHS-0214 Etanercept Biosimilar [***]

Total: [***]

Summary	Unit price [***]	[***]	Cost [***]
I [***]			**[***]**
1 [***]			
(1) [***]	[***]	[***]	[***]
(2) [***]	[***]	[***]	[***]
(3) [***]	[***]	[***]	[***]
2 [***]			[***]
3 [***]			
(1) [***]	[***]	[***]	[***]
(2) [***]	[***]	[***]	[***]
(3) [***]	[***]	[***]	[***]
4 [***]			[***]
5 [***]	[***]	[***]	[***]
II [***]			**[***]**
1 [***]			
(1) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
(2) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
2 [***]			[***]
3 [***]			
(1) [***]			
i) [***]	[***]	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

ii) [***]	[***]	[***]	[***]
iii) [***]	[***]	[***]	[***]
iv) [***]	[***]	[***]	[***]
(2) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
iii) [***]	[***]	[***]	[***]
iv) [***]	[***]	[***]	[***]
4 [***]			
(1) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
(2) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
5 [***]			
(1) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
(2) [***]			
i) [***]	[***]	[***]	[***]
ii) [***]	[***]	[***]	[***]
III [***]	**[***]**	**[***]**	**[***]**
Total [***]			**[***]**

Note:

– [***]
– [***]
– [***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Estimation Date: [***]
Estimate #: [***]

2. [***]

Detailed cost estimate

[***]
CHS-0214 Etanercept Biosimilar [***]

Total: [***]

	Summary	[***]	[***]	[***]	[***]	Cost [***]
I [***]						**[***]**
[***]	[***] presumably	[***]	[***]	[***]	sites	[***]
	[***]					
* [***]						
* [***]						
II [***]						**[***]**
[***]						[***]
[***]						
[***]						
• [***]						
• [***]						
[***]						
• [***]						
[***]						
• [***]						
• [***]						
III [***]			**[***]**	**[***]**		**[***]**
	Total [***]					**[***]**
V [***]						
1 [***]						
2 [***]						
3 [***]						
4 [***]						
5 [***]						

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3. [***]

Detailed cost estimate

—Assumptions—

1) [***]:	[***]	12) [***]: [***]	
2) [***]:	[***]		
3) [***]:	[***]	① [***]:	[***]
4) [***]:	[***]	② [***]:	[***]
5) [***]:	[***]	③ [***]:	[***]
6) [***]:	[***]	④ [***]:	[***]
7) [***]:	[***]	⑤ [***]:	[***]
8) [***]	[***]	⑥ [***]:	[***]
9) [***]:	[***]		
		[***]:	[***]
		Total:	**[***]**

Summary			**Unit price [***]**	**[***]**	**[***]**	**Cost [***]**
I [***]						**[***]**
1 [***]			[***]	[***]	[***]	[***]
2 [***]			[***]	[***]	[***]	[***]
II [***]						**[***]**
1 [***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
2 [***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
3 [***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]						
4 [***]						
[***]						
1) [***]	[***]	[***]	[***]	[***]	[***]	[***]
2) [***]	[***]	[***]	[***]	[***]	[***]	[***]
3) [***]	[***]	[***]	[***]	[***]	[***]	[***]
4) [***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]						
1) [***]	[***]	[***]	[***]	[***]	[***]	[***]
2) [***]	[***]	[***]	[***]	[***]	[***]	[***]
i) [***]						
[***]						
ii) [***]						
[***]						
iii) [***]						
iv) [***]						
v) [***]						
vi) [***]						
vii) [***]						
viii) [***]						
ix) [***]						
x) [***]						
xi) [***]						
xii) [***]			[***]	[***]	[***]	[***]
[***]						

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

4 [***]										
[***]	[***]	[***]		[***]		[***]	[***]			[***]
[***]										
III [***]										**[***]**
1 [***]										
[***]	[***]	[***]		[***]		[***]	[***]			[***]
[***]	[***]	[***]		[***]		[***]	[***]			[***]
[***]	[***]	[***]		[***]		[***]	[***]			[***]
[***]										
2 [***]										
[***]	[***]		[***]			[***]		[***]	[***]	
[***]										
3 [***]										
[***]	[***]	[***]		[***]		[***]	[***]			[***]
[***]	[***]	[***]		[***]		[***]	[***]			[***]
IV [***]			**[***]**		**[***]**					**[***]**
Total [***]										**[***]**

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

[***], [***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Estimation Date: [***]
Estimate #: [***]

Actual expenses

Actual expenses:

(1) [***]
  1) [***]
  2) [***]
  3) [***]

(2) [***]
  1) [***]
  2) [***]

(3) [***]
  1) [***]
  2) [***]

(4) [***]
  [***]

(5) Others
  1) [***]
  2) [***]
  3) [***]

(6) [***]
  [***]

(7) [***]
  [***]

(8) [***]
  [***]

(9) [***]
  [***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

APPENDIX H: [***]

The table below reflects [***] included in this Amendment #4. Any [***] may require [***].

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

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

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated August 4, 2014, in the Registration Statement (Form S-1) and related Prospectus of Coherus BioSciences, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Redwood City, California
September 25, 2014