As filed with the Securities and Exchange Commission on October 24, 2014.

Registration No. 333-198936

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

AMENDMENT NO. 3 TO
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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)

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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	Amount to be registered[(1)]	Proposed maximum aggregate offering price per share[(2)]	Proposed maximum aggregate offering price[(2)]	Amount of registration fee
Common Stock, $0.0001 par value per share	7,240,745	$15.00	$108,611,175	$13,708[(3)]

(1) Includes 944,445 shares that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended. Includes shares that the underwriters have the option to purchase.
(3) The amount paid in connection with this filing for the aggregate registration fee of $13,708 includes $11,109 previously paid and $2,599 for the additional amount of $22,361,175 of securities included in this amendment to the registration statement.

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

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The information 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 October 24, 2014

Prospectus

6,296,300 shares

Common Stock

This is an initial public offering of common stock by Coherus BioSciences, Inc. We are selling 6,296,300 shares of common stock. The initial public offering price is expected to be between $12.00 and $15.00 per share.

Prior to this offering, there has been no public market for our common stock. We have applied 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.

Certain of our existing investors, including stockholders affiliated with our directors, have indicated an interest in purchasing an aggregate of $25.0 million of shares of the common stock in this offering on the same terms as those offered to the public. However, indications of interest are not binding agreements or commitments to purchase and any of these entities may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these entities as they will on any other shares sold to the public in this offering.

We have granted the underwriters an option for a period of 30 days to purchase up to 944,445 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 12 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 / Subject to guidance from FDA regarding change to 351(k) (biosimilar) approval pathway, file 351(k) BLA 4th quarter 2015 or 1st quarter 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. On October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 based on this feedback by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner. 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, 31 "blockbuster" biologics, each with annual sales in excess of $1 billion, face loss of 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. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway.

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	6,296,300 shares
Common stock to be outstanding after the offering	32,051,949 shares
Underwriters' option to purchase additional shares	944,445 shares
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $75.2 million, or approximately $87.0 million if the underwriters exercise their option to purchase additional shares in full, at an assumed initial public offering price of $13.50 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 $7.0 million to fund clinical development of CHS-0214 (our etanercept (Enbrel) biosimilar candidate), approximately $34.0 million to fund clinical development of CHS-1420 (our adalimumab (Humira) biosimilar candidate), approximately $10.0 million to fund clinical development of CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate), approximately $3.0 million to pursue our development pipeline, and to use the balance for working capital and general corporate purposes. See "Use of Proceeds" on page 62 for a more complete description of the intended use of proceeds from this offering.
Risk factors	See "Risk Factors" beginning on page 12 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"

Certain of our existing investors, including stockholders affiliated with our directors, have indicated an interest in purchasing an aggregate of $25.0 million of shares of the common stock in this offering on the same terms as those offered to the public. However, indications of interest are not binding agreements or commitments to purchase and any of these entities may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these entities as they will on any other shares sold to the public in this offering.

The number of shares of common stock to be outstanding after this offering is based on 25,755,649 shares of common stock outstanding as of June 30, 2014 and excludes the following:

- 553,274 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.667 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 5,549,784 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $1.61 per share;
- 186,982 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.44 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;

- 594,768 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, of which options to purchase 422,846 shares of common stock at an exercise price equal to the initial public offering price set forth on the cover of this prospectus will be granted coincident with this offering, of which 164,967 shares will be awarded to executive officers and non-employee directors;
- 2,300,000 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
- 320,000 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”:

- a 1-for-1.667 reverse stock split of our capital stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all outstanding shares of our preferred stock into an aggregate of 21,131,217 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]	$ (15.85)	$ (16.10)	$ (5.92)	$ (11.99)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted[3]	2,082,622	3,332,020	2,967,709	4,182,053
Pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		$ (2.80)		$ (1.96)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		14,689,909		18,083,685

(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
		(in thousands)	(unaudited)	
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	$ 185,023
Working capital	70,145	72,738	147,888
Total assets	122,183	123,187	198,337
Convertible preferred stock warrant liability	1,589	—	—
Convertible preferred stock	161,224	—	—
Accumulated deficit	(149,719)	(149,719)	(149,719)
Total stockholders' (deficit) equity	(146,648)	17,169	92,319

(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 553,274 shares of common stock upon the cash exercise of all warrants to purchase common stock outstanding as of June 30, 2014, at $1.667 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised) and (iv) the issuance of 186,982 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 $0.44 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 6,296,300 shares of common stock in this offering at the assumed initial public offering price of $13.50 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. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we plan to finalize our development plan for CHS-1701 based on this feedback by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner. The FDA may not accept our development plan for pursuing a 351(k) approval pathway, or may require additional clinical or non-clinical studies that could significantly delay and/or increase the costs of our development efforts directed to CHS-1701.

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, CHS-1420, our adalimumab (Humira) biosimilar and for CHS-1701, our pegfilgrastim (Neulasta) biosimilar, we may elect for future products to pursue a 351(a) (novel biologic) approval pathway for a variety of clinical, regulatory and business reasons. 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 clinical trial quantities of the biological substance in CHS-1701 as well as quantities of the material necessary for process validation. However, we have not yet engaged a contract manufacturer to supply clinical trial quantities of the final (filled and finished) biosimilar drug product for CHS-1701. 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 the 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 September 30, 2014, our executive officers, directors, five percent stockholders and their affiliates beneficially owned approximately 78% of our voting stock and, upon closing of this offering, that same group will beneficially own approximately 63% of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares, no exercise of outstanding options and warrants, and excluding shares purchased by any such holders in this offering). 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 $10.79 per share, based on an assumed initial public offering price of $13.50 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 6,290,040 shares of our common stock; the exercise of any of these options or warrants will 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 32,051,949 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 6,296,300 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 June 30, 2014, up to an additional 25,755,649 shares of common stock will be eligible for sale in the public market, of which approximately 20.4 million 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 9.5 million 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 21.3 million shares of our common stock, or approximately 80.5% of our outstanding common stock as of June 30, 2014, 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. Under the 2014 Plan, the number of shares of our common stock initially reserved for issuance will be 2,300,000 plus the number of shares remaining available for future awards under the 2010 Plan. The number of shares available for future grant under the 2014 Plan will be increased by (i) the number of shares pursuant to outstanding awards 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) an annual increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to 4% of the shares of stock outstanding as of the last day of the preceding fiscal year, or such smaller number of shares as determined by our board of directors. 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 320,000 shares will initially be available for issuance under the 2014 ESPP. The number of shares available for issuance under the 2014 ESPP will automatically increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to 1% of the shares of common stock outstanding on the last day of the immediately preceding fiscal year or such smaller number of shares as determined by our board of directors. 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 6,296,300 shares of common stock in this offering will be approximately $75.2 million at an assumed initial public offering price of $13.50 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 $87.0 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 $13.50 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 $5.9 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 $12.6 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 $7.0 million to fund clinical development for CHS-0214 (our etanercept (Enbrel) biosimilar candidate);
- approximately $34.0 million to fund clinical development for CHS-1420 (our adalimumab (Humira) biosimilar candidate);
- approximately $10.0 million to fund clinical development for CHS-1701 (our pegfilgrastim (Neulasta) biosimilar candidate);
- approximately $3.0 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:
  - a 1-for-1.667 reverse stock split of our capital stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
  - the conversion of all outstanding shares of our preferred stock into an aggregate of 21,131,217 shares of common stock immediately prior to the consummation of this offering;
  - the issuance of 553,274 shares of common stock upon the cash exercise of all warrants to purchase common stock outstanding as of June 30, 2014, at $1.667 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised);
  - the issuance of 186,982 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 $0.44 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 6,296,300 shares of our common stock in this offering at an assumed initial public offering price of $13.50 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	$ 185,023
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: 972,330 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: 13,601,909 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: 6,556,978 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, 5,000,000 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, 300,000,000 pro forma and pro forma as adjusted; shares issued and outstanding: 4,624,432 actual, 26,495,905 pro forma, 32,792,205 pro forma as adjusted	1	3	3
Additional paid-in capital	3,151	166,966	242,116
Accumulated other comprehensive income	32	32	32
Accumulated deficit	(149,719)	(149,719)	(149,719)
Total Coherus stockholders' (deficit) equity	(146,535)	17,282	92,432
Noncontrolling interest	(113)	(113)	(113)
Total stockholders' (deficit) equity	(146,648)	17,169	92,319
Total capitalization	$ 16,165	$ 17,169	$ 92,319

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

- 553,274 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.667 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 5,549,784 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $1.61 per share;
- 186,982 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.44 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;

- 594,768 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, of which options to purchase 422,846 shares of common stock at an exercise price equal to the initial public offering price set forth on the cover of this prospectus will be granted coincident with this offering, of which 164,967 shares will be awarded to executive officers and non-employee directors;
- 2,300,000 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
- 320,000 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 $(32.48) 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 $0.51 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:

- a 1-for-1.667 reverse stock split of our capital stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all outstanding shares of our preferred stock into an aggregate of 21,131,217 shares of common stock immediately prior to the consummation of this offering;
- the issuance of 553,274 shares of common stock upon the cash exercise of all warrants to purchase common stock outstanding as of June 30, 2014, at $1.667 per share (which warrants will automatically be net exercised immediately prior to this offering if not previously exercised);
- the issuance of 186,982 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 $0.44 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.

After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $13.50 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 $88.8 million, or $2.71 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.20 per share to existing stockholders and an immediate dilution of $10.79 per share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$13.50
Historical net tangible book value per share as of June 30, 2014	$(32.48)	
Pro forma increase in net tangible book value per share	32.99	
Pro forma net tangible book value per share as of June 30, 2014	0.51	
Increase in pro forma net tangible book value per share attributable to new investors	2.20	
Pro forma as adjusted net tangible book value per share after this offering		2.71
Dilution per share to new investors participating in this offering		$10.79

A $1.00 increase (decrease) in the assumed initial public offering price of $13.50 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 $5.9 million, or approximately $0.18 per share, and would decrease (increase) dilution to investors in this offering by approximately $0.82 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 $12.6 million, or approximately

$0.37 per share, and would decrease (increase) dilution to investors in this offering by approximately $0.29 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 $2.98 per share, and there would be an immediate dilution of approximately $10.52 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 $13.50 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	25,755,649	80%	$130,360,224	61%	$ 3.04
Investors participating in this offering	6,296,300	20	85,000,050	39	$ 13.50
Total	32,051,949	100%	$215,360,274	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:

- 553,274 shares of common stock issuable upon exercise of warrants to purchase common stock with an exercise price of $1.6670 per share as of June 30, 2014, which warrants will automatically be net exercised immediately prior to this offering if not previously exercised;
- 5,549,784 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2014 having a weighted-average exercise price of $1.61 per share;
- 186,982 shares of common stock issuable upon the exercise of outstanding warrants as of June 30, 2014 having a weighted-average exercise price of $0.44 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;
- 594,768 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, of which options to purchase 422,846 shares of common stock at an exercise price equal to the initial public offering price set forth on the cover of this prospectus will be granted coincident with this offering, of which 164,967 shares will be awarded to executive officers and non-employee directors;
- 2,300,000 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
- 320,000 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]	$ (15.85)	$ (16.10)	$ (5.92)	$ (11.99)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted[3]	2,082,622	3,332,020	2,967,709	4,182,053
Pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		$ (2.80)		$ (1.96)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted (unaudited)[3]		14,689,909		18,083,685

(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 had initially planned to pursue a 351(a) (novel biologic) regulatory approval pathway for CHS-1701. In support of that pathway, we conducted a successful Phase 1 study for CHS-1701 between November 2012 and March 2013. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we plan to finalize our development plan for CHS-1701 based on this feedback by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner.

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 716,645 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 243,841 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	Phase 1[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) We met with FDA on October 9, 2014 and informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) approval pathway. Our development plan under the 351(k) (biosimilar) pathway is subject to FDA written guidance expected in November 2014. We plan to finalize the CHS-1701 development plan by year-end 2014 based on the guidance we receive from the FDA.
(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, 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.

For the prior 12-month period, the Company has utilized the probability-weighted expected return method, or PWERM, alone or in combination with the option pricing method, or OPM, as a hybrid method, or Hybrid Method, each an accepted valuation method under the AICPA Practice Guide, for determining the fair value of its common stock. The PWERM is a scenario-based analysis that estimates the value per share of common stock based on the probability-weighted present value of expected future equity values for the common stock, under various possible future liquidity event scenarios, in light of the rights and preferences of each class of stock, discounted for a lack of marketability. The OPM values each equity class by creating a series of call options on the equity value, with exercise prices based on the liquidation preferences, participation rights and strike prices of derivatives. The Hybrid Method is appropriate for a company expecting a near term liquidity event, but where, due to market or other factors, the likelihood of completing the liquidity event is uncertain. The Hybrid Method considers a company's going concern nature, stage of development and the company's ability to forecast near and long-term future liquidity scenarios. In connection with our preparation for filing a registration statement with the SEC, we evaluated whether or not in retrospect the valuation of the Company's common stock as of the date of each option and warrant grant over the previous 12 months was appropriate for accounting purposes. Based in part on supplemental valuations performed by a third-party independent valuation specialist, we determined, in retrospect, that reassessed valuations provided a closer approximation of the fair value of the common stock for accounting purposes, including our stock-based compensation expenses.

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 $66.0 million based on the estimated fair value of our common stock of $13.50 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 4,130,173 shares and 968,804 shares of common stock, respectively, at $0.0083 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, respectively, and $354,000 and $238,000 for the six months ended June 30, 2013 and 2014, respectively.

Common Stock Warrants

In March 2014, we issued warrants to purchase 553,274 shares of common stock with an exercise price of $1.667 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. We initially planned to pursue a 351(a) (novel biologic) regulatory approval pathway for CHS-1701 and successfully completed a Phase 1 study supporting that pathway. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 based on this feedback by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner.

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, 31 "blockbuster" biologics, each with worldwide annual sales in excess of $1 billion, face loss of patent exclusivity in at least one major pharmaceutical market. In aggregate, these products achieved approximately $104 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. While we had initially planned to pursue a 351(a) (novel biologic) approval pathway for CHS-1701, we met with FDA on October 9, 2014 to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 based on this feedback by the end of 2014. Depending on the formal written guidance we receive from the

FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner. 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 31 major branded biologic products that face loss of patent exclusivity in at least one major market through 2020, aggregate global sales in 2013 were approximately $104 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 facing loss of patent exclusivity in at least one major market through 2020:

Actemra	Forteo	Neulasta	Procrit
Advate	Herceptin	Neupogen	Rebif
Avastin	Humalog	Norditropin SimpleXx	Remicade
Avonex	Humira	NovoMix 30	Rituxan
Botox	Kogenate	NovoRapid	Synagis
Enbrel	Lantus	Orencia	Tysabri
Epogen	Levemir	Pediarix	Xolair
Erbitux	Lucentis	Pegasys	

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

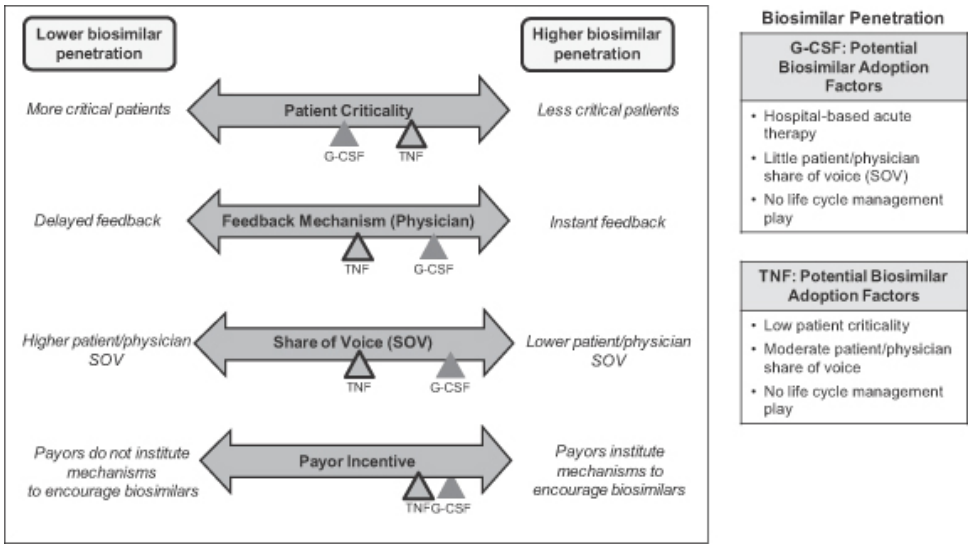
access without sacrificing quality of care. An increasing and disproportionate amount of healthcare spending by governments and private payors is on biologic therapeutics. According to data from Express Scripts, approximately $4 out of every $10 spent on prescription drugs in 2014 in the United States 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:

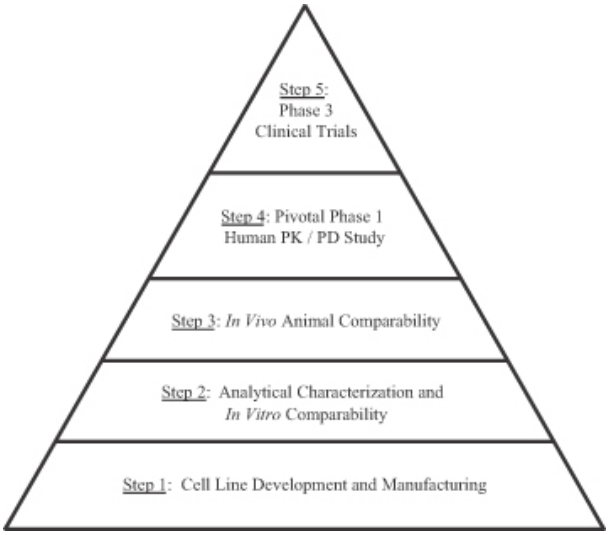
- ***Advanced proprietary analytics.*** Regulators require extensive and sophisticated analytics to demonstrate comparability with the originator molecule. Analytical techniques, such as mass spectrometry, which enable the measurement of the structure and elemental composition of individual molecules, 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. In our meeting with the FDA on October 9, 2014, we informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) approval pathway. We expect formal written guidance from the FDA in November 2014 and we plan to finalize our 351(k) development plan for CHS-1701 on the basis of that guidance by the end of 2014. Based on feedback from these meetings, we are planning further meetings with 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:

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 / Subject to guidance from FDA regarding change to 351(k) (biosimilar) approval pathway, file 351(k) BLA 4th quarter 2015 or 1st quarter 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.

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.

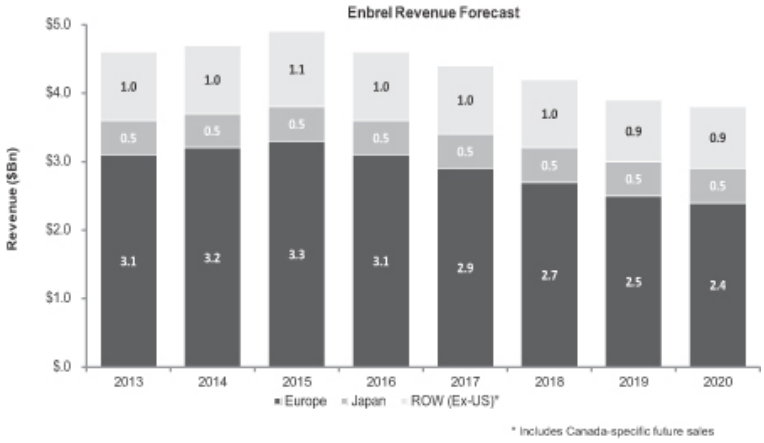
Enbrel has been approved by the European Medicines Agency, or EMA, and the U.S. Food and Drug Administration, or FDA, for the treatment of the following indications:

- 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:

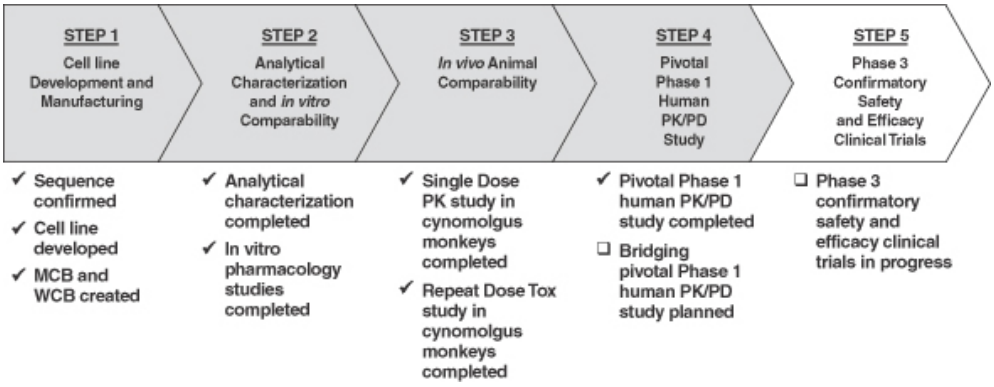
- rheumatoid arthritis; and
- juvenile idiopathic arthritis.

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. For one of these Phase 3 clinical trials we plan to 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

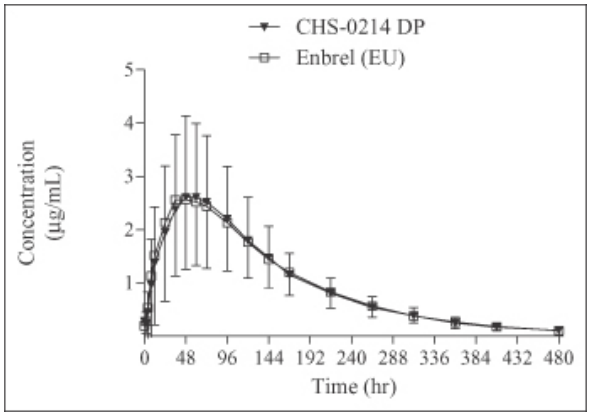
We compared CHS-0214 to Enbrel in a single-dose PK study and a 28-day study in evaluating toxicity and PK in cynomolgus monkeys and no appreciable differences were identified.

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.

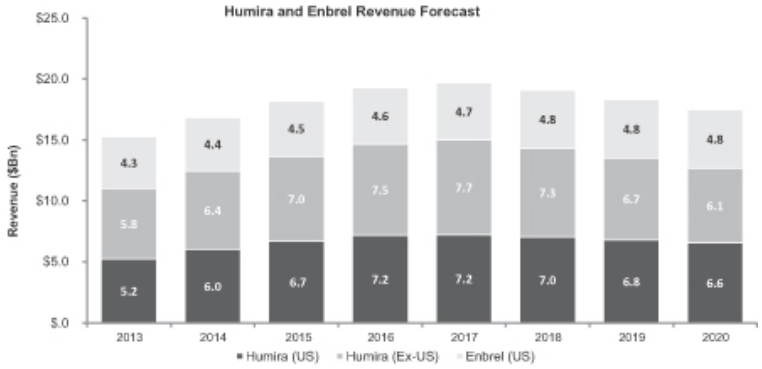
Humira has been approved by the EMA and the FDA for the treatment of the following indications only when conventional therapies are not sufficiently effective:

- 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:

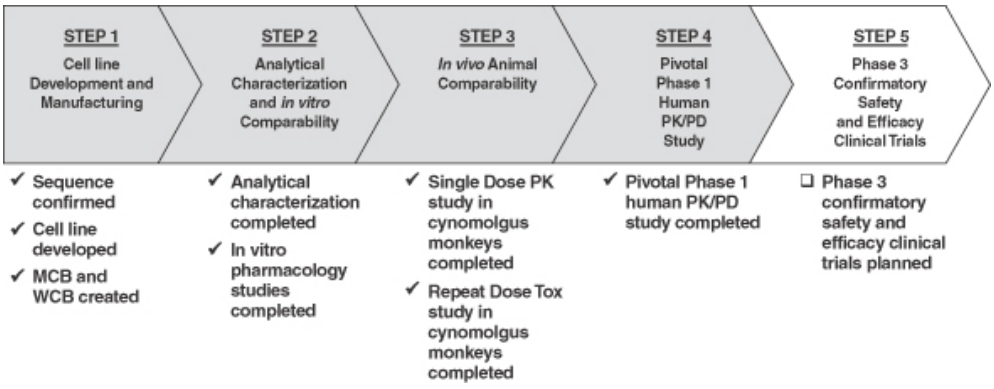
- rheumatoid arthritis;
- psoriatic arthritis;
- psoriasis; and
- Behçet's disease.

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.

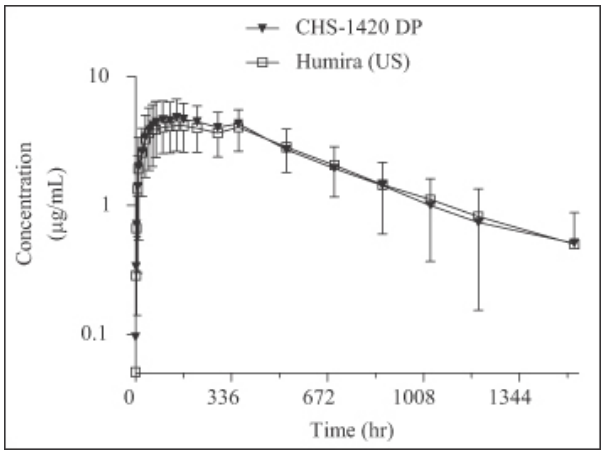
Step 3: In Vivo Animal Comparability

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.

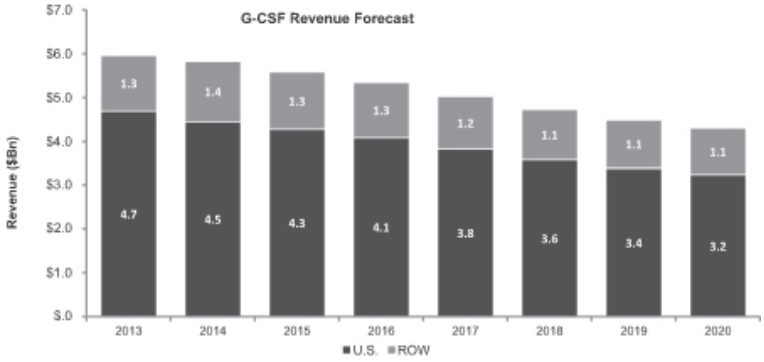
Long Acting G-CSF Pipeline Opportunity

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

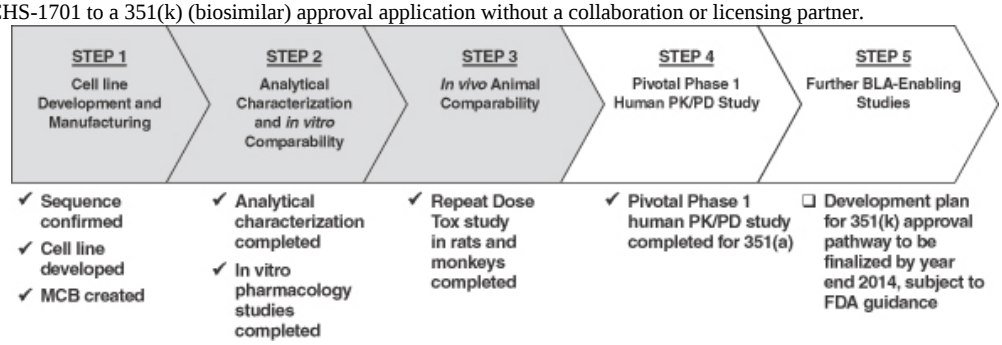
Pegfilgrastim (Neulasta), the reference product for CHS-1701, is a pegylated form of the recombinant human G-CSF analog, filgrastim. Filgrastim produced from *E. coli* is not glycosylated. We have performed extensive analytical characterization of CHS-1701 and have determined that its basic and higher-order 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. While we had initially planned to pursue a 351(a) (novel biologic) approval pathway for CHS-1701, we met with FDA on October 9, 2014 to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we had previously projected under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner.



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

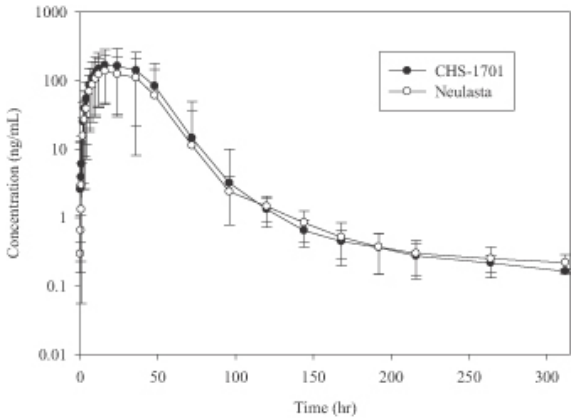
systemic signs of toxicity could be attributed to treatment. There were no differences in clinical observations between the control and treated animals. Dose-proportional increases in absolute neutrophil count, or ANC, and total white blood cell count were observed at all dose levels of CHS-1701. Clinical 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.

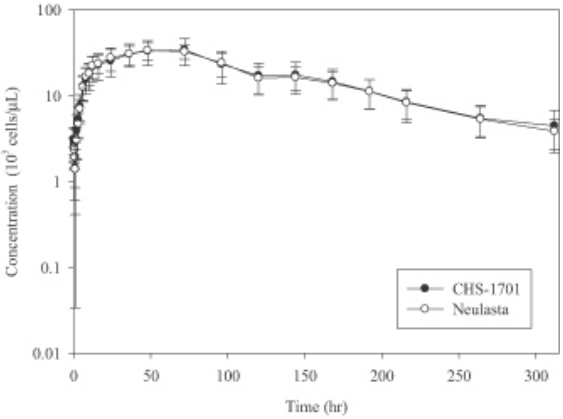
Mean Serum Concentration Over Time of CHS-1701 and Neulasta



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 in support of that pathway. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner.

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. However, on October 9, 2014 we met with the FDA to discuss our development plan for CHS-1701. We informed the agency of our decision to transition from a 351(a) (novel biologic) approval pathway to a 351(k) (biosimilar) pathway. We believe the 351(k) (biosimilar) approval pathway may enable us to file for U.S. regulatory approval for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016, approximately 6 to 12 months earlier than we project under a 351(a) (novel biologic) approval pathway. We expect the FDA to provide us formal written feedback in November 2014 regarding this change in our development plan for CHS-1701, and we expect to finalize our development plan for CHS-1701 by the end of 2014. Depending on the formal written guidance we receive from the FDA, we believe it may be possible to advance CHS-1701 to a 351(k) (biosimilar) approval application without a collaboration or licensing partner.

Step 5: Further Studies Supporting 351(k) BLA Regulatory Filing.

Based on guidance we expect to receive from the FDA in November 2014 concerning our decision to pursue a 351(k) approval pathway for CHS-1701, we expect to finalize our development plan for CHS-1701 by the end of 2014. We are planning to file a 351(k) BLA for CHS-1701 in the 4th quarter of 2015 or 1st quarter of 2016.

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

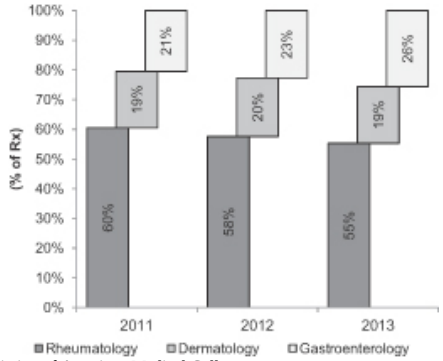
Our strategy entails licensing product rights outside of the United States to commercially proficient entities, while retaining U.S. rights to commercialization. Because the sales call points for our clinical stage assets in the United States are highly concentrated and addressable by a relatively small 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 of $5.0 million 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 October 6, 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 cardiovascular diagnostics 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 March 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 March 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 and Geron Corporation, a public biopharmaceutical company, since March 2012. 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 health care 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 consummation of this offering, our directors will be divided among the three classes as follows:

- the Class I directors will be Christos Richards and August J. Troendle, M.D., and their terms will expire at the annual meeting of stockholders to be held in 2015;
- the Class II directors will be V. Bryan Lawlis, Mary T. Szela and Ali J. Satvat, and their terms will expire at the annual meeting of stockholders to be held in 2016; and
- the Class III directors will be Dennis M. Lanfear, Mats Wahlström and James I. Healy, M.D., Ph.D., 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 29,994 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 29,994 shares each of our common stock, respectively.

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

In March 2014, our board of directors approved a director equity compensation policy, or the Director Equity Compensation Policy, that provides for automatic, non-discretionary grants of stock options to our non-employee directors. Under the Director Equity Compensation Policy, each non-employee director will receive an initial grant of an option to purchase 25,000 shares of our common stock upon his or her election or appointment to our board of directors. Each non-employee director will also receive the grant of an option to purchase 20,000 shares of our common stock on the date of each annual meeting of our stockholders. In addition, the chairs of the compensation and audit committees will receive the additional grant of an option to purchase 25,000 and 75,000 shares, respectively, of our common stock on the date of each annual meeting of our stockholders. Each non-employee director who is not affiliated with an institutional investor in our company will also receive the additional grant of an option to purchase 25,000 shares of our common stock on the date of each annual meeting of our stockholders. The initial stock option grant will vest and become exercisable in substantially equal monthly installments over three years, subject to continued service on our board of directors. Otherwise, the stock options granted to our non-employee directors will vest and become exercisable in 48 equal monthly installments, subject to continued service on our board of directors. The vesting of each option held by our non-employee directors will fully accelerate upon a change in control.

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)	29,994	—	$0.0083	10/11/2020		
	10/15/2010(5)					424,915	$1,276,417(6)
	04/19/2011	220,703	110,351	0.4168	07/17/2021		
	07/20/2013(4)	31,243	268,696	1.4170	11/21/2023		
Barbara K. Finck, M.D.	07/02/2012	42,916	78,259	2.0838	02/27/2023		
	07/30/2013(4)	9,372	80,608	1.4170	11/21/2023		
Alan C. Herman, Ph.D.	04/19/2011	70,350	35,175	0.4168	07/17/2021		
	07/30/2013(4)	5,935	51,052	1.4170	11/21/2023		
Douglas H. Farrar	04/19/2011	77,245	38,623	0.4168	07/17/2021(7)		
	07/30/2013(4)	8,766	75,396	1.4170	11/21/2023(7)		
Stephen C. Glover	04/19/2011	55,520	—	0.4168	07/01/2015		

(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 $3.004, 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 July 1, 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 318,686 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 55,520 shares of Company common stock until July 1, 2015; 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 121,175 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 89,981 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 299,940, 84,163 and 56,988 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 899,377, 94,577 and 147,010 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, 2,300,000 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) an annual increase on the first day of each fiscal year beginning in 2015 and ending in 2024, equal to four percent (4.0%) 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 18,965,335 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 $2,000,000.

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. In the event that, within the 12 month period immediately following a change in control, a participant's services with us are terminated by us other than for cause (as defined in the 2014 Plan) or by such participant for good reason (as defined in the 2014 Plan), then the vesting and, if applicable, exercisability of 100% of the then-unvested shares subject to the outstanding equity awards held by such participant under the 2014 Plan will accelerate effective as of the date of such termination. 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 5,549,784 shares of our common stock at a weighted-average exercise price per share of $1.61 were outstanding under the 2010 Plan. No other awards have been granted under the 2010 Plan. As of June 30, 2014, 594,768 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) 320,000 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) one percent (1%) 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 3,520,000 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 15% 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 5,000 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 commence and end on such dates as determined by our compensation committee. 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.

Participation in this Offering

Certain of our existing investors, including stockholders affiliated with our directors, have indicated an interest in purchasing an aggregate of $25.0 million of shares of the common stock in this offering on the same terms as those offered to the public. However, indications of interest are not binding agreements or commitments to purchase and any of these entities may determine to purchase more, fewer or no shares in this offering.

Sales and Purchases of Securities

Series C Convertible Preferred Stock Financing

In May 2014, we issued an aggregate of 5,488,892 shares of our Series C convertible preferred stock at a price per share of $10.002 for aggregate net proceeds of $54.7 million to 35 accredited investors and 1,058,089 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 9,997 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]	2,499,499	$ 24,999,996
Venrock Associates VI, L.P.[2]	1,111,286	11,115,102
Lilly Ventures Fund I, LLC[3]	543,101	5,432,106
MX II Associates, LLC[4]	266,502	2,665,554
Sofinnova Venture Partners VII, L.P.[5]	149,970	1,500,000
Helix Founders' Fund, L.P.[6]	53,299	533,106
KMG Capital Partners, LLC[7]	79,950	799,662
Caduceus Medical Holdings, LLC[7]	26,649	266,550
Leonard Capital, LLC[7]	10,572	105,750
Barbara K. Finck, M.D.	5,286	52,872
Lanfear Capital Advisors, LLC[8]	5,286	52,872
Surazal Limited Partnership[9]	2,643	26,436
Christos Richards	2,624	26,250
George G. Montgomery[10]	2,643	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 44,508 shares purchased by Venrock Partners VI, L.P., 422,595 shares purchased by Venrock Healthcare Capital Partners, L.P. and 77,304 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 LV Management Group, 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 $0.0083 per share, as set forth below:

Name	Number of Shares of Common Stock	Aggregate Purchase Price
Dennis M. Lanfear	119,976	$ 1,000
Stephen C. Glover	59,988	500
Douglas H. Farrar	59,988	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 716,645 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 243,841 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]	384,392
Dennis M. Lanfear[2]	6,526
James I. Healy, M.D., Ph.D.	47

(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 3,312 shares received by Dennis M. Lanfear, 3,193 shares received by Dennis M. Lanfear, as Trustee of the Lanfear Revocable Trust, dated January 27, 2004, as restated and 21 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 4,279,620 shares of our Series B convertible preferred stock at a price per share of $0.0167 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]	1,182,813
MX II Associates, LLC[2]	1,075,284
Venrock Associates VI, L.P.	860,227
KMG Capital Partners, LLC[3]	322,585
Helix Founders' Fund, L.P.[4]	215,056
Caduceus Medical Holdings, LLC[3]	107,528
Leonard Capital, LLC[3]	43,011
Barbara K. Finck, M.D.	21,505
Lanfear Capital Advisors, LLC[5]	21,505
Christos Richards	10,752
George G. Montgomery[6]	10,752
Surazal Limited Partnership[7]	10,752

(1) S. Edward Torres, who was previously on our board of directors, is a Managing Director of LV Management Group, 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 3,225,854 shares of our Series B convertible preferred stock at a price per share of $6.9749 for aggregate net proceeds of approximately $20.3 million to 18 accredited investors and 1,524,134 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 501,799 shares of Series B convertible preferred stock in exchange for services. In December 2012, we issued an additional 2,872,442 shares of our Series B convertible preferred stock in additional closings, of which 1,725,472 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	2,867,426	$ 19,999,999
Cook Pharmica LLC	2,150,569	14,999,999
Medpace, Inc.(1)	731,670	5,103,330
Lilly Ventures Fund I, LLC(2)	722,113	5,036,666
Oasis Investing Limited(3)	573,485	3,999,999
Olsen International Limited(4)	573,485	3,999,999
Helix Founders' Fund, L.P.(5)	147,976	1,032,117
Leonard Capital, LLC(1)	74,649	520,665
Caduceus Medical Holdings, LLC(1)	73,023	509,330
Dennis M. Lanfear	11,196	78,096
Douglas H. Farrar	8,957	62,476
Stephen C. Glover	8,957	62,476
Alan C. Herman Ph.D.	5,224	36,443
Stuart E. Builder, Ph.D.(6)	4,478	31,240
Christos Richards	1,491	10,405
Surazal Limited Partnership(7)	1,429	9,970

(1) Includes 373,242 shares purchased by MX II Associates LLC and 358,428 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 LV Management Group, 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 352,448 shares of our Series B convertible preferred stock at a price per share of $0.0167 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]	143,371
MX II Associates, LLC[2]	107,528
Helix Founders' Fund, L.P.[3]	28,671
Leonard Capital[4]	21,505
Caduceus Medical Holdings LLC[4]	14,337
Dennis M. Lanfear	3,225
Douglas H. Farrar	2,580
Stephen C. Glover	2,580
Alan C. Herman, Ph.D.	1,505
Stuart E. Builder, Ph.D.[5]	1,290
Christos Richards	429
Surazal Limited Partnership[6]	411

(1) S. Edward Torres, who was previously on our board of directors, is a Managing Director of LV Management Group, 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 843,824 shares of our Series A convertible preferred stock at a price per share of $1.2503 for aggregate net proceeds of approximately $1.0 million to 13 accredited investors and 128,506 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. The table below sets forth the number of shares of Series A 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 A Convertible Preferred Stock	Aggregate Purchase Price
MX II Associates, LLC[1]	319,935	$ 400,000
Helix Founders' Fund, L.P.[2]	239,952	300,000
Lanfear Capital Advisors, LLC[3]	40,159	50,210
Christos Richards	39,991	50,000
Alan C. Herman, Ph.D.	39,991	50,000
Douglas H. Farrar	20,079	25,105
Surazal Limited Partnership[4]	8,030	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 63,923 shares of our Series A convertible preferred stock at a price per share of $1.2503 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]	19,976
Stephen C. Glover	19,976
Douglas H. Farrar	9,988
Stuart E. Builder, Ph.D.[2]	9,988
Surazal Limited Partnership[3]	3,995

(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 26,505 shares of our common stock, with an exercise price of $1.6670 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). In September 2014 we executed a task order with Medpace to cover the in life management of the Phase 3 chronic plaque psoriasis 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 chronic plaque psoriasis). To date, under the Master Services Agreement we have entered into commitments with Medpace for clinical development services having an aggregate value of $71 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 September 30, 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 September 30, 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 25,755,649 shares of our common stock outstanding as of September 30, 2014, which reflects the assumed conversion of all of our outstanding shares of preferred stock into an aggregate of 21,131,217 shares of common stock. Shares of our common stock that a person has the right to acquire within 60 days of September 30, 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.

Certain of our existing investors, including stockholders affiliated with our directors, have indicated an interest in purchasing an aggregate of $25.0 million of shares of the common stock in this offering on the same terms as those offered to the public. However, indications of interest are not binding agreements or commitments to purchase and any of these entities may determine to purchase more, fewer or no shares in this offering. Any amounts that may be purchased by these investors in this offering have not been included in the following table.

	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]	2,867,426	—	2,867,426	11.13%	2,867,426	8.95%
Lilly Ventures Fund I, LLC[2]	2,877,056	—	2,877,056	11.17%	2,877,056	8.98%
Entities affiliated with MX II Associates, LLC[3]	2,393,392	107,528	2,500,920	9.67%	2,500,920	7.78%
KKR Biosimilar L.P.[4]	2,499,499	—	2,499,499	9.70%	2,499,499	7.80%
Sofinnova Venture Partners VII, L.P.[5]	2,131,833	—	2,131,833	8.28%	2,131,833	6.65%
Entities affiliated with Venrock Associates VI, L.P.[6]	1,971,512	—	1,971,512	7.65%	1,971,512	6.15%
Named Executive Officers and Directors						
Douglas H. Farrar[7]	988,844	158,429	1,147,273	4.43%	1,147,273	3.56%
Barbara K. Finck, M.D.[8]	26,791	98,802	125,593	*	125,593	*
Stephen C. Glover[9]	798,966	78,076	877,042	3.39%	877,042	2.73%
James I. Healy, M.D., Ph.D.[10]	2,131,880	5,623	2,137,503	8.30%	2,137,503	6.67%
Alan C. Herman, Ph.D. [11]	300,164	378,299	678,463	2.60%	678,463	2.09%
Dennis M. Lanfear[12]	1,494,391	599,637	2,094,028	7.95%	2,094,028	6.41%
V. Bryan Lawlis, Ph.D.[13]	—	9,373	9,373	*	9,373	*
Christos Richards[14]	54,859	68,800	123,659	*	123,659	*
Ali J. Satvat[15]	2,499,499	—	2,499,499	9.70%	2,499,499	7.80%
Mary T. Szela[16]	—	1,249	1,249	*	1,249	*
S. Edward Torres[17]	2,877,056	29,994	2,907,050	11.27%	2,907,050	9.06%
August J. Troendle, M.D.[18]	2,415,262	112,526	2,527,788	9.77%	2,527,788	7.86%
Mats Wahlström[19]	869,964	55,612	925,576	3.59%	925,576	2.88%
Peter K. Watler, Ph.D.[20]	—	111,552	111,552	*	111,552	*
All directors and executive officers as a group (16 persons)[21]	14,457,676	1,820,467	16,278,143	59.03%	16,278,143	48.06%

* 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) 358,428 shares held prior to this offering by Medpace Investors, LLC, or Medpace Investors, (ii) 2,034,964 shares held prior to this offering by MX II Associates LLC, or MX II Associates, and (iii) 107,528 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) 1,364,481 shares held prior to this offering by Venrock Associates VI, L.P., or VA VI, (ii) 107,132 shares held prior to this offering by Venrock Partners VI, L.P., or VP VI, (iii) 422,595 shares held prior to this offering by Venrock Healthcare Capital Partners, L.P., or VHCP, and (iv) 77,304 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) 988,844 shares held prior to this offering, (ii) 12,568 shares that may be acquired pursuant to the exercise of warrants and (iii) 145,861 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Mr. Farrar.

(8) Consists of (i) 26,791 shares held prior to this offering and (ii) 98,802 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Dr. Finck.

(9) Consists of (i) 798,966 shares held prior to this offering, (ii) 22,556 shares that may be acquired pursuant to the exercise of warrants and (iii) 55,520 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 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) 47 shares held prior to this offering and (ii) 5,623 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014.

(11) Consists of (i) 300,164 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) 241,457 shares that may be acquired pursuant to the exercise of warrants held prior to this offering and (iii) 136,842 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Dr. Herman.

(12) Consists of (i) 1,361,921 shares held prior to this offering by Dennis M. Lanfear, as Trustee of the Lanfear Revocable Trust, dated January 27, 2004, as restated, (ii) 66,972 shares held prior to this offering by Lanfear Capital Advisors, LLC, (iii) 65,498 shares held prior to this offering by Dennis M. Lanfear, (iv) 19,976 shares that may be acquired pursuant to the exercise of a warrant held prior to this offering by Lanfear Capital Advisors, LLC, (v) 3,225 shares that may be acquired pursuant to the exercise of a warrant by Mr. Lanfear and (vi) 576,436 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Mr. Lanfear.

(13) Consists of 9,373 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Dr. Lawlis.

(14) Consists of (i) 54,859 shares held prior to this offering, (ii) 26,936 shares that may be acquired pursuant to the exercise of warrants and (iii) 41,866 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 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 1,249 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 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 29,994 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 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 4,998 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 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 55,612 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Mr. Wahlström.

(20) Consists of 111,552 shares that may be acquired pursuant to the exercise of stock options within 60 days of September 30, 2014 by Dr. Watler.

(21) Includes (i) 10,771,744 shares held by entities affiliated with certain of our directors and (ii) 14,457,676 shares beneficially owned by our executive officers and directors, which includes the 10,771,744 shares held by such entities and 1,820,467 shares that may be acquired pursuant to the exercise of stock options and warrants within 60 days of September 30, 2014.

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 300,000,000 shares of common stock, $0.0001 par value per share, and 5,000,000 shares of preferred stock, $0.0001 par value per share. As of June 30, 2014, there were outstanding, after giving effect of a reverse stock split of our outstanding capital stock of 1-for-1.667:

- 25,755,649 shares of our common stock, on an as converted basis, held by approximately 86 stockholders of record;
- 740,256 shares of our common stock issuable upon cash exercise of outstanding warrants; and
- 5,549,784 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 9 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 5,000,000 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)]	553,274	—	$1.6670	3/28/2024
Series A convertible preferred stock, par value $0.0001[(1)]	63,923	—	$1.2503	1/26/2016
Series B convertible preferred stock, par value $0.0001[(1)]	123,059	—	$0.0167	7/21/2018 and 11/29/2018
Total	740,256	—		

(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 21.3 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 21.3 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 21.3 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 21.3 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 have applied 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 Wells Fargo Shareowner Services. The transfer agent and registrar's address is Wells Fargo Shareowner Services, Attn: Manager of Account Administration, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4101.

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 $13.50 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 32,051,949 shares of common stock. Of these shares, all of the 6,296,300 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
25,480,339 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 320,519 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 21.3 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	6,296,300

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 944,445 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.

Certain of our existing investors, including stockholders affiliated with our directors, have indicated an interest in purchasing an aggregate of $25.0 million of shares of the common stock in this offering on the same terms as those offered to the public. However, indications of interest are not binding agreements or commitments to purchase and any of these entities may determine to purchase more, fewer or no shares in this offering. The underwriters will receive the same underwriting discount on any shares purchased by these entities as they will on any other shares sold to the public in this offering.

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 $3.9 million. We have agreed to reimburse the underwriters for expenses of $40,000 relating to the clearance of this offering with the Financial Industry Regulatory Authority.

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 (a) the shares of our common stock to be sold hereunder, (b) any shares of our common stock issued upon the exercise of options granted under our existing plans or warrants that are outstanding, (c) any options and other awards granted under our existing plans, (d) the filing of any Form S-8 relating to shares of our common stock granted pursuant to or reserved for issuance under our existing plans, (e) any shares of our common stock issued upon the conversion of convertible preferred stock outstanding in connection with this offering, (f) the issuance of shares of our common stock in connection with the acquisition by us or any of our subsidiaries of the securities, business, properties or other assets of another person or entity or pursuant to any employee benefit plan assumed by the us or any of our subsidiaries in connection with such acquisition or (g) the issuance of shares of our common stock in connection with joint ventures, commercial relationships or other strategic transactions; *provided that*, in the case of clauses (f) and (g), the aggregate number of shares of our outstanding common stock or other securities (including securities convertible into or exchangeable or exercisable for outstanding common stock or other securities) issued in all such acquisitions and transactions, on an as-converted, as-exchanged and as-exercised basis, does not exceed 5% of our common stock outstanding following this offering.

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; or

- certain stockholders from transferring or distributing shares acquired in this offering or in the open market after this offering, provided that 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 5,129 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.

Ernst & Young LLP

Redwood City, California
August 4, 2014, except for the last paragraph of Note 1, as to which the date is October X, 2014

The foregoing report is in the form that will be signed upon the effectiveness of the reverse stock split as described in the last paragraph of Note 1 to the consolidated financial statements.

/s/ Ernst & Young LLP

Redwood City, California
October 24, 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: 972,330 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: 8,181,576 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: 4,834,467 and 4,837,715 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	$ (15.85)	$ (16.10)
Weighted-average number of shares used in computing net loss per share, basic and diluted	2,082,622	3,332,020
Pro forma net loss per share, basic and diluted (unaudited)		$ (2.80)
Weighted-average number of shares used in computing pro forma net loss per share, basic and diluted (unaudited)		14,689,909

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	972,330	$1,191	—	$ —	5,098,977	$ 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 $6.9749 per share net of issuance costs of $3,562	—	—	4,372,824	26,938	—	—	—	—	—
Issuance of Series B convertible preferred stock at $6.9749 per share upon conversion of convertible promissory notes	—	—	1,524,134	10,631	—	—	—	—	—
Issuance of Series B convertible preferred stock at $6.9749 per share in exchange for services	—	—	2,227,271	15,535	—	—	—	—	—
Issuance of Series B convertible preferred stock upon exercise of warrants, including the reclassification of the associated convertible preferred stock warrant liability	—	—	57,347	400	—	—	—	—	—
Issuance of common stock upon exercise of options for cash	—	—	—	—	22,307	—	—	—	—
Repurchase of unvested founders shares	—	—	—	—	(286,817)	—	—	—	—
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	972,330	1,191	8,181,576	53,504	4,834,467	1	453	(45,957)	(45,503)
Issuance of common stock upon exercise of options for cash	—	—	—	—	3,248	—	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	972,330	$1,191	8,181,576	$53,504	4,837,715	$ 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.

Reverse Stock Split

On October 10, 2014, the Company's Board of Directors approved the filing of an amendment to our certificate of incorporation to reflect a 1-for-1.667 reverse stock split (the "Reverse Stock Split"). All information in these financial statements related to the number of shares, price per share and per share amounts of stock, and shares issuable under stock options and warrants have been retroactively adjusted to reflect this Reverse Stock Split for all periods presented.

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

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

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 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.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

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 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.

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	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	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	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 2,867,426 shares of Series B convertible preferred stock at a price of $6.9749 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 $1.2503 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 $1.2503 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 $0.0167 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 1,524,134 shares of Series B convertible preferred stock using a conversion price which represented the same issuance price of $6.9749 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 352,448 shares of Series B convertible preferred stock for $0.0167 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 $6.9749 per share, (iii) automatically upon an IPO into shares of Series B convertible preferred stock at a conversion price equal to the lesser of $6.9749 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 $6.9749 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 $0.0167 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 4,279,620 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	63,923	$ 198	63,923	$ 170
Warrants to purchase Series B convertible preferred stock — 2011 Warrants B	295,101	1,540	295,101	1,122
2013 Warrants	—	—	4,279,620	22,959
	359,024	$ 1,738	4,638,644	$ 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 63,923 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 $1.2503 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 $0.0167 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 $1.2503 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 352,448 shares of Series B convertible preferred stock. In June 2012, warrants to purchase 57,347 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 $0.0167 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 $6.9749 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 $6.9749 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) $6.9749 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 $6.9749 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 4,279,620 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 3,225,854 shares of Series B convertible preferred stock in an initial closing at a price of $6.9749 per share for net cash proceeds of $20.3 million. An additional 1,524,134 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 57,347 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 1,146,970 shares of Series B convertible preferred stock in a subsequent closing at a price of $6.9749 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 501,799 and 1,725,472 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 $6.9749 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.

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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 1,725,472 shares of Series B convertible preferred stock issued in exchange for past and future services, pursuant to the terms of the agreement with Cook, 716,856 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	972,330	$ 1,191	$ 1,216
Series B	14,692,297	8,181,576	53,504	57,066
	16,492,297	9,153,906	$ 54,695	$ 58,282

December 31, 2013	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference
Series A	1,800,000	972,330	$ 1,191	$ 1,216
Series B	26,290,997	8,181,576	53,504	57,066
	28,090,997	9,153,906	$ 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.

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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 4,130,173 shares and 968,804 shares of restricted common stock, respectively, at $0.0083 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, 286,817 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	3,644,858
Vested	(1,207,062)
Repurchased by the Company	(286,817)
Non-vested as of December 31, 2012	2,150,979
Vested	(1,387,650)
Non-vested as of December 31, 2013	763,329

As of December 31, 2012 and 2013, the Company had 2,150,979 and 763,329 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 $0.41 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	14,999	974,797	$ 0.358
Authorized	1,520,830	—	—
Granted	(611,285)	611,285	2.084
Exercised	—	(22,307)	0.008
Forfeited	28,680	(28,680)	0.008
Balances at December 31, 2012	953,224	1,535,095	1.057
Authorized	1,586,570	—	—
Granted	(853,244)	853,244	2.084
Granted — below fair value	(786,018)	786,018	1.417
Exercised	—	(3,248)	2.084
Forfeited	123,713	(123,713)	1.271
Balances at December 31, 2013	1,024,245	3,047,396	$ 1.427

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	3,047,396	$ 1.427	8.84	$ 3,518
Options vested and expected to vest	3,003,024	$ 1.425	9.17	$ 3,475
Options vested	1,160,134	$ 1.153	8.30	$ 1,702
Options exercisable	1,182,632	$ 1.131	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.

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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 $1.73 and $1.88 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 74,983 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 $1.42 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

Coherus BioSciences, Inc.

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 table sets forth the computation of the basic and diluted net loss per share (in thousands, except share and per share data):

	Year Ended December 31,	
	2012	2013
Numerator:		
Net loss	$ (33,018)	$ (53,635)
Denominator:		
Weighted-average common shares outstanding	4,963,883	4,828,214
Less: weighted-average unvested common shares subject to repurchase	(2,881,261)	(1,496,194)
Weighted-average number of shares used in computing net loss per share, basic and diluted	2,082,622	3,332,020
Net loss per share, basic and diluted	$ (15.85)	$ (16.10)

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

12. Net Loss and Unaudited Pro Forma Net Loss Per Share (continued)

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	1,535,095	3,047,396
Convertible preferred stock	9,153,906	9,153,906
Convertible preferred stock warrants	359,024	4,638,644

In addition 2,881,261 and 1,496,193 shares for each of the years ended 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.

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	3,332,020
Pro forma adjustments to reflect:	
Assumed conversion of convertible preferred stock	9,153,906
Assumed exercise of preferred stock warrants for cash	2,203,983
Weighted-average number of shares used in computing pro forma net loss per share, basic and diluted	14,689,909
Pro forma net loss per share, basic and diluted	$ (2.80)

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

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

13. Related Party Transactions (continued)

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.

Daiichi Sankyo

The Company entered into a license agreement with Daiichi Sankyo (see Note 5), under which the Company issued 2,867,426 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 2,150,569 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

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

13. Related Party Transactions (continued)

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.

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 $0.0167 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 1,358,086 shares of Series B convertible preferred stock at the issuance price of $6.9749 per share, the amount paid by the other Series B investors, and the 2011 Warrant B became exercisable for warrants to purchase 305,927 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 $0.0167 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

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

13. Related Party Transactions (continued)

associated with the related party transaction became exercisable to purchase 3,032,297 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.

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 4,451,662 shares of Series B convertible preferred stock were exercised for $74,000, which included the 4,279,620 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 5,488,892 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 1,058,089 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 9,997 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 716,645 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 243,841 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 $3.8174 per share was determined using the PWERM.

Coherus BioSciences, Inc.

Notes to Consolidated Financial Statements (continued)

14. Subsequent Events (continued)

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

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: 972,330 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: 8,181,576 and 13,601,909 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 6,556,978 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: 4,837,715 and 4,624,432 at December 31, 2013 and June 30, 2014 (unaudited), respectively, 26,495,905 shares issued and outstanding pro forma (unaudited)	1	1	3
Additional paid-in capital	2,514	3,151	166,966
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 interest	—	(113)	(113)
Total stockholders' (deficit) equity	(97,077)	(146,648)	$ 17,169
Total liabilities, convertible preferred stock and stockholders' (deficit)	$ 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 interest	—	113
Net loss attributable to Coherus	$ (17,571)	$ (50,127)
Net loss per share attributable to Coherus, basic and diluted	$ (5.92)	$ (11.99)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted	2,967,709	4,182,053
Pro forma net loss per share attributable to Coherus, basic and diluted		$ (1.96)
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted		18,083,685

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 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.

Reverse Stock Split

On October 10, 2014, the Company's Board of Directors approved the filing of an amendment to our certificate of incorporation to reflect a 1-for-1.667 reverse stock split (the "Reverse Stock Split"). All information in these financial statements related to the number of shares, price per share and per share amounts of stock, and shares issuable under stock options and warrants have been retroactively adjusted to reflect this Reverse Stock Split for all periods presented.

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.

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 716,645 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 243,841 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 $3.8174 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 358,310 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 $6.9749 per share, (iii) automatically upon an IPO into shares of Series B convertible preferred stock at a conversion price equal to the lesser of $6.9749 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 $6.9749 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 $0.0167 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 1,058,089 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 4,279,620 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 553,274 shares of common stock with the exercise price of $1.667 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 $1.667 per share, fair value of the common stock of $5.73 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 $4.95 for employees and $5.42 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 4,451,662 shares of Series B convertible preferred stock were exercised for $74,000, which included the 4,279,620 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 4,130,173 shares and 968,804 shares of common stock, respectively, at $0.0083 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 239,952 shares of founders' common stock from three founders at $0.0083 per share. As of June 30, 2014, there were 324,453 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	1,024,245	3,047,396	$ 1.427
Authorized (unaudited)	2,099,580	—	—
Granted — below fair value (unaudited)	(2,697,443)	2,697,443	1.831
Exercised (unaudited)	—	(26,669)	0.717
Forfeited (unaudited)	168,386	(168,386)	1.959
Balances at June 30, 2014 (unaudited)	594,768	5,549,784	$ 1.611

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 table sets forth the computation of the basics and diluted net loss per share attributable to Coherus (in thousands, except share and per share data):

	Six Months Ended June 30,	
	2013	2014
Numerator:		
Net loss attributable to Coherus	$ (17,571)	$ (50,127)
Denominator:		
Weighted-average common shares outstanding	4,834,471	4,725,136
Less: weighted-average unvested common shares subject to repurchase	(1,866,762)	(543,083)
Weighted-average number of shares used in computing net loss per share attributable to Coherus, basic and diluted	2,967,709	4,182,053
Net loss per share attributable to Coherus, basic and diluted	$ (5.92)	$ (11.99)

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	2,365,342	5,549,784
Convertible preferred stock	9,153,906	21,131,217
Convertible preferred stock warrants	359,024	186,982
Common stock warrants	—	553,274

In addition, 1,866,761 and 543,083 shares for the six-month periods ended 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, 358,310 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.

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

11. Net Loss and Pro Forma Net Loss Per Share Attributable to Coherus (continued)

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 computing net loss per share attributable to Coherus, basic and diluted	4,182,053
Pro forma adjustments to reflect;	
Assumed conversion of convertible preferred stock	13,424,252
Assumed exercise of common and preferred stock warrants for cash	477,380
Weighted-average number of shares used in computing pro forma net loss per share attributable to Coherus, basic and diluted	18,083,685
Pro forma net loss per share attributable to Coherus, basic and diluted	$ (1.96)

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.

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 2,867,426 shares of Series B convertible preferred stock. As such, Daiichi Sankyo was deemed to be a related

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

12. Related Party Transactions (continued)

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 2,150,569 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 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

Coherus BioSciences, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements (continued)

12. Related Party Transactions (continued)

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 $0.0167 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. Lanfear, 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 has evaluated the effects of subsequent events on its financial statements for the quarter ended June 30, 2014.

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.

6,296,300 Shares

Common Stock

Prospectus

J.P. Morgan **Credit Suisse**

Cowen and Company

, 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	$ 13,708
FINRA filing fee	11,438
NASDAQ listing fee	125,000
Printing and engraving expenses	450,000
Legal fees and expenses	1,600,000
Accounting fees and expenses	1,350,000
Blue Sky qualification fees and expenses	10,000
Transfer agent fees and expenses	10,000
Miscellaneous expenses	329,854
Total	$ 3,900,000

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(a), 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 968,804 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 59,988 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 63,923 shares of Series A convertible preferred stock at an exercise price of $1.2503 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 972,330 shares of our Series A convertible preferred stock at a price per share of $1.2503 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 352,448 shares of Series B convertible preferred stock at an exercise price of $0.0167 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 5,251,792 shares of our Series B convertible preferred stock at a price per share of $6.9750 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 501,799 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 57,347 shares of our Series B convertible preferred stock at a price per share of $0.0167, 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 2,872,442 shares of our Series B convertible preferred stock at a price per share of $6.9750 for an aggregate gross consideration of $20.0 million, to seven accredited investors. An aggregate of 1,725,472 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 4,279,620 shares of Series B convertible preferred stock at an exercise price of $0.0167 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 252,013 shares of our Series B convertible preferred stock at a price per share of $6.9749 for an aggregate gross consideration of $1.8 million, to two accredited investors. An aggregate of 8,172 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 86,021 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 630,618 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 4,451,662 shares of our Series B convertible preferred stock at a price per share of $0.0167, 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 6,556,978 shares of our Series C convertible preferred stock at a price per share of $10.0020 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 9,997 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 5,847,808 shares of common stock, at a weighted-average exercise price of $1.6190 per share. Of these, options covering an aggregate of 326,371 shares were canceled without being exercised.

15. We sold an aggregate of 52,224 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 Amendment No. 3 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Redwood City, California, on October 24, 2014.

COHERUS BIOSCIENCES, INC.

By: /s/ Dennis M. Lanfear
Dennis M. Lanfear
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 3 to the 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)*	October 24, 2014
/s/ Jean-Frédéric Viret, Ph.D. Jean-Frédéric Viret, Ph.D.	Chief Financial Officer *(Principal Financial Officer)*	October 24, 2014
/s/ Michael A. Nazak Michael A. Nazak	Senior Vice President Finance & Administration *(Principal Accounting Officer)*	October 24, 2014
* James I. Healy, M.D., Ph.D.	Director	October 24, 2014
* V. Bryan Lawlis, Ph.D.	Director	October 24, 2014
* Christos Richards	Director	October 24, 2014
* Ali J. Satvat	Director	October 24, 2014
* August J. Troendle, M.D.	Director	October 24, 2014
* Mats Wahlström	Director	October 24, 2014
* Mary T. Szela	Director	October 24, 2014

*By: /s/ Dennis M. Lanfear
Dennis M. Lanfear
Attorney-in-Fact

October 24, 2014

Exhibit Index

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
3.1(a)+	Fifth Restated Certificate of Incorporation, currently in effect.
3.1(b)	Sixth Restated Certificate of Incorporation, effecting a stock split, to be in effect prior to the consummation of this offering.
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.
10.12#	Coherus BioSciences, Inc. 2014 Employee Stock Purchase Plan.
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.
10.17(a)†	Task Order Number 20, effective November 8, 2013, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.17(b)†	Amendment Number 1 to Task Order Number 20, effective April 23, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.17(c)†	Amendment Number 2 to Task Order Number 20, effective June 27, 2014, by and between Medpace, Inc. and Coherus BioSciences, Inc.
10.17(d)†	Amendment Number 3 to Task Order Number 20, effective September 5, 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.

† 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.
+ Previously filed.

Exhibit 1.1

COHERUS BIOSCIENCES, INC.

[ ] Shares of Common Stock

Underwriting Agreement

, 2014

J.P. Morgan Securities LLC
Credit Suisse Securities (USA) LLC
As Representatives of the
several Underwriters listed
in Schedule 1 hereto

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

Coherus BioSciences, Inc., a Delaware corporation (the "Company"), proposes to issue and sell to the several Underwriters listed in Schedule 1 hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), an aggregate of shares of common stock, par value $0.001 per share (the "Common Stock"), of the Company (the "Underwritten Shares") and, at the option of the Underwriters, up to an additional shares of Common Stock (the "Option Shares"). The Underwritten Shares and the Option Shares are herein referred to as the "Shares." The shares of Common Stock to be outstanding after giving effect to the sale of the Shares are referred to herein as the "Stock."

The Company hereby confirms its agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement (File No. 333-198936), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness ("Rule 430 Information"), is referred to herein as the "Registration Statement"; and as used herein, the term "Preliminary Prospectus" means each prospectus included in such registration statement (and any amendments thereto) before

effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term "Prospectus" means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the "Rule 462 Registration Statement"), then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A, the "Pricing Disclosure Package"): a Preliminary Prospectus dated , 2014 and each "free-writing prospectus" (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

"Applicable Time" means [ ] [A/P].M., New York City time, on , 2014.

2. Purchase of the Shares by the Underwriters. (a) The Company agrees to issue and sell the Underwritten Shares to the several Underwriters as provided in this Agreement, and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Company the respective number of Underwritten Shares set forth opposite such Underwriter's name in Schedule 1 hereto at a price per share (the "Purchase Price") of $.

In addition, the Company agrees to issue and sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from the Company the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares. If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 10 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Company by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Company. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date or later than the tenth full business day (as hereinafter defined) after the date of such notice (unless

such time and date are postponed in accordance with the provisions of Section 10 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Company understands that the Underwriters intend to make a public offering of the Shares as soon after the effectiveness of this Agreement as in the judgment of the Representatives is advisable, and initially to offer the Shares on the terms set forth in the Prospectus. The Company acknowledges and agrees that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the account specified by the Company to the Representatives in the case of the Underwritten Shares, at the offices of Davis Polk & Wardwell LLP, 1600 El Camino Real, Menlo Park, CA 94025 at 10:00 A.M., New York City time, on , 2014, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Company may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date" and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date."

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on such date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Company. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct.

(d) The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter that:

(a) *Preliminary Prospectus*. No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(b) *Pricing Disclosure Package*. The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(c) *Issuer Free Writing Prospectus*. Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, used, authorized, approved or referred to and will not prepare, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and

warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(d) *Emerging Growth Company*. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(e) *Testing-the-Waters Materials*. The Company (i) has not alone engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Registration Statement and Prospectus*. The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the Company, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the applicable requirements of the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(g) *Financial Statements*. The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods covered thereby, except in the case of unaudited financial statements, which are subject to normal year-end adjustments and do not contain certain footnotes as permitted by the applicable rules of the Commission, and any supporting schedules included in the Registration Statement present fairly, in all material respects, the information required to be stated therein; and the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly, in all material respects, the information shown thereby.

(h) *No Material Adverse Change*. Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock (other than the issuance of shares of Common Stock upon exercise of stock options and warrants described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration Statement, the Pricing Disclosure Package and the Prospectus), short-term debt or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development that would reasonably be expected to result in a prospective material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its

subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is material to the Company and its subsidiaries taken as a whole and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Organization and Good Standing*. The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company and its subsidiaries taken as a whole or on the performance by the Company of its obligations under this Agreement (a "Material Adverse Effect"). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement.

(j) *Capitalization*. The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Capitalization"; all the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights that have not been duly waived or satisfied; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares) and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

(k) *Stock Options*. With respect to the stock options (the "Stock Options") granted pursuant to the stock-based compensation plans of the Company and its

subsidiaries (the "Company Stock Plans"), (i) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "Grant Date") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (ii) each such grant was made in accordance with the terms of the Company Stock Plans and all other applicable laws and regulatory rules or requirements and (iii) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company.

(l) *Due Authorization*. The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by it of the transactions contemplated hereby has been duly and validly taken.

(m) *Underwriting Agreement*. This Agreement has been duly authorized, executed and delivered by the Company.

(n) *The Shares*. The Shares to be issued and sold by the Company hereunder have been duly authorized by the Company and, when issued and delivered and paid for as provided herein, will be duly and validly issued, will be fully paid and nonassessable and will conform to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights that have not been duly waived.

(o) *Descriptions of the Underwriting Agreement*. This Agreement conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(p) *No Violation or Default.* Neither the Company nor any of its subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(q) *No Conflicts*. The execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or result in a

breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(r) *No Consents Required.* No consent, approval, authorization, order, license, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares and the consummation of the transactions contemplated by this Agreement, except for the registration of the Shares under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. ("FINRA") and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters.

(s) *Legal Proceedings*. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company or any of its subsidiaries is or may reasonably be expected to become a party or to which any property of the Company or any of its subsidiaries is or may reasonably be expected to become the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have a Material Adverse Effect; to the knowledge of the Company no such investigations, actions, suits or proceedings are threatened or, to the knowledge of the Company, contemplated by any governmental or regulatory authority or threatened by others; and (i) there are no current or pending legal, governmental or regulatory actions, suits or proceedings that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(t) *Independent Accountants*. Ernst & Young LLP, who has certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(u) *Title to Real and Personal Property*. The Company and its subsidiaries have good and marketable title in fee simple (in the case of real property) to, or have valid and marketable rights to lease or otherwise use, all items of real and personal property and assets that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Intellectual Property*. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its subsidiaries own or possess, or can acquire on reasonable terms, adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trade dress, domain names (including all goodwill associated with the foregoing), inventions, copyrights, software, know-how, trade secrets (including all registrations and applications for registration of any of the foregoing), publicity rights, privacy rights, all other similar types of proprietary intellectual property rights necessary for the conduct of their respective businesses as currently conducted and as proposed to be conducted ("Intellectual Property"); and, to the knowledge of the Company, the conduct of their respective businesses does not infringe, misappropriate or otherwise conflict in any material respect with any such rights of others. The Company and its subsidiaries have not received any notice of any claim of infringement or misappropriation of, or conflict with, any such rights of others or any notice challenging the validity, scope, or enforceability of the Intellectual Property or the Company's or any of its subsidiaries' rights therein except in each case as would not reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Company, no third party has materially infringed, misappropriated or otherwise violated any Intellectual Property owned by or exclusively licensed to the Company or any of its subsidiaries. All Intellectual Property owned by the Company or its subsidiaries is owned solely by the Company or its subsidiaries and is owned free and clear of all liens, encumbrances, defects or other restrictions, except those liens, encumbrances, defects or other restrictions that (i) do not materially interfere with the use made and proposed to be made of such Intellectual Property by the Company and its subsidiaries or (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. To the knowledge of the Company, all Intellectual Property that is licensed to the Company or its subsidiaries is free and clear of all liens and free of any restrictions or defects, except those liens, encumbrances or defects that (1) do not materially interfere with the use made and proposed to be made of such Intellectual Property by the Company or any of its subsidiaries, or (2) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. To the knowledge of the Company, all Intellectual Property owned by or licensed to the Company is valid and enforceable except where such invalidity or unenforceability would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries is subject to any judgment,

order, writ, injunction or decree of any court or any federal, state, local, foreign or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or any arbitrator, nor has the Company or any of its subsidiaries entered into or become a party to any agreement made in settlement of any pending or threatened litigation, that restricts or impairs its use of any Intellectual Property other than any such restrictions that could not reasonably be expected to result in a Material Adverse Effect. The Company and its subsidiaries have taken commercially reasonable actions necessary to maintain and protect all registered Intellectual Property owned by the Company or its subsidiaries, including payment of applicable maintenance fees, filing of applicable statements of use, timely response to office actions, and disclosure of any required information. The Company and its subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all material trade secrets and confidential information owned, used or held for use by the Company or any of its subsidiaries, and, the knowledge of the Company, no such trade secrets or confidential information have been disclosed other than to employees, representatives and agents of the Company or any of its subsidiaries, or parties who are bound by written confidentiality agreements. All founders, key employees and other employees, in each case who are currently with the Company or any of its subsidiaries, involved in the development of Intellectual Property for the Company or any of its subsidiaries have signed confidentiality and invention assignment agreements with the Company. No employee contributing to any material Intellectual Property developed for and intended to be owned by the Company or its subsidiaries has failed to assign all of such employee's rights, title and interest in such Intellectual Property to the Company or its subsidiaries. No independent contractor contributing to any material Intellectual Property developed for and intended to be owned by the Company or its subsidiaries has failed to assign all of such independent contractor's rights, title and interest in such Intellectual Property to the Company or its subsidiaries, or, in the alternative, granted to the Company a license thereunder as necessary for the conduct of the Company's and its subsidiaries' business.

(w) *No Undisclosed Relationships*. No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(x) *Investment Company Act*. The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(y) *Taxes*. The Company and its subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof (after giving effect to any valid extensions with respect to the filing of tax returns);

and except as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no material tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets.

(z) *Licenses and Permits*. The Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has received written notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course. The Company and its subsidiaries (i) are, and at all times have been, in material compliance with all statutes, rules and regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, storage, import, export or disposal of any product manufactured or distributed by the Company or its subsidiaries ("Applicable Laws"), except where such noncompliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (ii) have not received any U.S. Food and Drug Administration ("FDA") Form 483, written notice of adverse finding, warning letter, untitled letter or other correspondence or written notice from any court or arbitrator or governmental or regulatory authority alleging or asserting non-compliance with (x) any Applicable Laws or (y) any licenses, exemptions, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws.

(aa) *No Labor Disputes*. No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, except in each case as would not have a Material Adverse Effect.

(bb) *Compliance with and Liability under Environmental Laws*. (i) The Company and its subsidiaries (a) are, and at all prior times were, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions, judgments, decrees, orders and the common law relating to pollution or the protection of the environment, natural resources or human health or safety, including those relating to the generation, storage, treatment, use, handling, transportation, Release or threat of Release of Hazardous Materials (collectively, "Environmental Laws"), (b) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, (c) have not received written notice of any actual or potential

liability under or relating to, or actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any Release or threat of Release of Hazardous Materials, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice, (d) are not conducting or paying for, in whole or in part, any investigation, remediation or other corrective action pursuant to any Environmental Law at any location, and (e) are not a party to any order, decree or agreement that imposes any obligation or liability under any Environmental Law, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such matter, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (a) there are no proceedings that are pending, or, to the knowledge of the Company, contemplated, against the Company or any of its subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed, (b) the Company and its subsidiaries are not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws, including the Release or threat of Release of Hazardous Materials, that would reasonably be expected to have a material adverse effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries, and (c) none of the Company and its subsidiaries anticipates material capital expenditures relating to any Environmental Laws.

(cc) *Hazardous Materials*. There has been no storage, generation, transportation, use, handling, treatment, Release or threat of Release of Hazardous Materials by, relating to or caused by the Company or any of its subsidiaries (or, to the knowledge of the Company and its subsidiaries, any other entity (including any predecessor) for whose acts or omissions the Company or any of its subsidiaries is or would reasonably be expected to be liable) at, on, under or from any property or facility now or previously owned, operated or leased by the Company or any of its subsidiaries, or at, on, under or from any other property or facility, in violation of any Environmental Laws or in a manner or amount or to a location that could reasonably be expected to result in any liability under any Environmental Law, except for any violation or liability which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. “Hazardous Materials” means any material, chemical, substance, waste, pollutant, contaminant, compound, mixture, or constituent thereof, in any form or amount, including petroleum (including crude oil or any fraction thereof) and petroleum products, natural gas liquids, asbestos and asbestos containing materials, naturally occurring radioactive materials, brine, and drilling mud, regulated or which can give rise to liability under any Environmental Law. “Release” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, or migrating in, into or through the environment, or in, into, from or through any building or structure.

(dd) *Compliance with ERISA*. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as

amended ("ERISA"), for which the Company or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code")) has any liability (each, a "Plan") has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to, ERISA and the Code, except for noncompliance that could not reasonably be expected to have a Material Adverse Effect; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption that could reasonably be expected to result in a material liability to the Company or its subsidiaries; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, as applicable, has been satisfied (without taking into account any waiver thereof or extension of any amortization period) and is reasonably expected to be satisfied in the future (without taking into account any waiver thereof or extension of any amortization period); (iv) the fair market value of the assets of each Plan subject to the minimum funding standard of Section 412 of the Code or Section 302 of ERISA exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (v) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur that either has resulted, or could reasonably be expected to result, in material liability to the Company or its subsidiaries, excluding any reportable event for which the notice requirements have been waived; (vi) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any material liability under Title IV of ERISA (other than contributions to the Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan," within the meaning of Section 4001(a)(3) of ERISA); and (vii) to the knowledge of the Company, there is no pending audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency or any foreign regulatory agency with respect to any Plan that could reasonably be expected to result in material liability to the Company or its subsidiaries.

(ee) *Disclosure Controls*. The Company and its subsidiaries maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act")) that complies with the applicable requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(ff) *Accounting Controls*. The Company and its subsidiaries maintain systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the applicable requirements of the

Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no material weaknesses in the Company's internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses, if any, in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(gg) *Insurance*. The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in commercially reasonable amounts and reasonably insures against such losses and risks as are adequate to protect the Company and its subsidiaries and their respective businesses; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(hh) *No Unlawful Payments*. Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries have promoted policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws, and, reasonably promptly following the offering pursuant to which this Agreement relates, will institute formal written policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ii) *Compliance with Anti-Money Laundering Laws*. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(jj) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is currently the subject or the target of any sanctions administered or enforced by the U.S. government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council ("UNSC"), the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company, any of its subsidiaries located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria (each, a "Sanctioned Country"); and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in and will not engage in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(kk) *No Restrictions on Subsidiaries*. No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other

distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ll) *No Broker's Fees*. Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or any of its subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(mm) *No Registration Rights*. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Shares except such rights that have been duly waived.

(nn) *No Stabilization.* The Company, without giving effect to activities by the Underwriters, has not taken, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(oo) *Margin Rules*. The application of the proceeds received by the Company from the issuance, sale and delivery of the Shares as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(pp) *Forward-Looking Statements*. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(qq) *Statistical and Market Data*. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in the Registration Statement, the Pricing Disclosure Package and the Prospectus are not based on or derived from sources that are reliable and accurate in all material respects.

(rr) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or, to the knowledge of the Company, any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans, to the extent compliance is required as of the date of this Agreement.

(ss) *Status under the Securities Act*. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that

the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act. The Company has paid the registration fee for this offering pursuant to Rule 456(b)(1) under the Securities Act.

(tt) *Clinical Trials*. The clinical and pre-clinical trials conducted by or, to the knowledge of the Company, on behalf of or sponsored by the Company or its subsidiaries, or in which the Company or its subsidiaries have participated, that are described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or the results of which are referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus, as applicable, were, and if still pending are, being conducted in all material respects in accordance with standard medical and scientific research standards and procedures for products or product candidates comparable to those being developed by the Company and all applicable statutes and all applicable rules and regulations of the FDA and comparable regulatory agencies outside of the United States to which they are subject, including the European Medicines Agency (collectively, the "Regulatory Authorities"), and current Good Clinical Practices and Good Laboratory Practices; the descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of the results of such studies and tests are accurate and complete descriptions in all material respects and fairly present the data derived therefrom; the Company has no knowledge of any other trials not described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the results of which are inconsistent with or call into question the results described or referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus; the Company and its subsidiaries have operated at all times and are currently in compliance in all material respects with all applicable statutes, rules and regulations of the Regulatory Authorities; neither the Company nor any of its subsidiaries have received any written notices, correspondence or other communications from the Regulatory Authorities or any other governmental agency requiring or threatening the termination, material modification or suspension of any clinical or pre-clinical trials that are described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or the results of which are referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus, other than ordinary course communications with respect to modifications in connection with the design and implementation of such trials, and, to the Company's knowledge, there are no reasonable grounds for the same.

(uu) *Regulatory Filings*. The Company has not failed to file with the Regulatory Authorities any required material filing, declaration, listing, registration, report or submission with respect to the Company's product candidates that are described or referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus; all such filings, declarations, listings, registrations, reports or submissions were in material compliance with applicable laws when filed (other than any such instances of non-compliance that were subsequently corrected or amended and accepted by the applicable Regulatory Authority); and no deficiencies regarding compliance with applicable law have been asserted by any applicable Regulatory Authority with respect to any such filings, declarations, listings, registrations, reports or submissions.

4. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings*. The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City as soon as is reasonably possible following the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies*. The Company will deliver, without charge, (i) to the Representatives, three copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses*. Before preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object.

(d) *Notice to the Representatives*. The Company will advise the Representatives promptly, and confirm such advice in writing (which may be by email), (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the

Commission of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or the initiation or, to the Company's knowledge, threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or, to the Company's knowledge, threatening of any proceeding for such purpose; and the Company will use its best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Shares and, if any such order is issued, will obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance*. (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will, as soon as reasonably possible and in any event within twenty-hour (24) hours, notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will, as soon as reasonably possible and in any event within twenty-hour (24) hours, notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Pricing Disclosure Package as may be

necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance*. The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement*. The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the "effective date" (as defined in Rule 158) of the Registration Statement.

(h) *Clear Market.* For a period of 180 days after the date of the Prospectus, the Company will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to, any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, other than (A) the Shares to be sold hereunder, (B) any shares of Stock of the Company issued upon the exercise of options granted under Company Stock Plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or warrants described as outstanding in the Registration Statement, the Pricing Disclosure Package and the Prospectus, provided, that the Company shall cause each recipient of such issuance to execute and deliver to J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC an agreement substantially in the form of Exhibit A hereto if such recipient has not already delivered one, (C) any options and other awards granted under Company Stock Plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, provided, that the Company shall cause each recipient of such grant to execute and deliver to J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC an agreement substantially in the form of Exhibit A hereto if such recipient has not already delivered one, (D) the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to the shares of Stock granted pursuant to or reserved for issuance under

Company Stock Plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (E) any shares of Stock of the Company issued upon the conversion of convertible preferred stock outstanding on the date of this Agreement in connection with the offering contemplated by this Agreement and as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (F) the issuance of shares of Stock of the Company or other securities (including securities convertible into or exchangeable or exercisable for Stock or other securities) in connection with the acquisition by the Company or any of its subsidiaries of the securities, business, properties or other assets of another person or entity or pursuant to any employee benefit plan assumed by the Company or any of its subsidiaries in connection with any such acquisition, and (G) the issuance of shares of Stock of the Company or other securities (including securities convertible into or exchangeable or exercisable for Stock or other securities) in connection with joint ventures, commercial relationships or other strategic transactions; *provided* that, in the case of clauses (F) and (G), (i) the aggregate number of shares of Stock of the Company or other securities (including securities convertible into or exchangeable or exercisable for Stock or other securities) issued in all such acquisitions and transactions, on an as-converted, as-exchanged and as-exercised basis, does not exceed 5% of the outstanding Stock of the Company following the issuance and sale of the Shares to be sold hereunder and (ii) the Company shall cause each recipient of such issuance to execute and deliver to J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC an agreement substantially in the form of Exhibit A hereto if such recipient has not already delivered one.

If J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 6(l) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(i) *Use of Proceeds*. The Company will apply the net proceeds from the sale of the Shares as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Use of proceeds.”

(j) *No Stabilization.* The Company will not, without giving effect to activities by the Underwriters, take, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(k) *Exchange Listing.* The Company will use its best efforts to list, subject to notice of issuance, the Shares on the Nasdaq Global Market Stock Exchange (the “Exchange”).

(l) *Reports*. During a period of three years from the date of this Agreement, the Company will furnish to the Representatives, as soon as is commercially reasonable

after the date they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; *provided* the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on the Commission's Electronic Data Gathering, Analysis, and Retrieval system.

(m) *Record Retention*. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *Filings*. The Company will disclose in a report filed with the Commission such information as may be required by Rule 463 under the Securities Act.

(o) *Emerging Growth Company*. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 4(h) hereof.

5. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not used, authorized use of, referred to or participated in the planning for use of, and will not use, authorize use of, refer to or participate in the planning for use of, any "free writing prospectus," as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 4(c) above (including any electronic road show), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an "Underwriter Free Writing Prospectus").

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission; provided that Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company; provided further that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

6. Conditions of Underwriters' Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order*. No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 4(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties*. The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Downgrade*. Subsequent to the earlier of (A) the Applicable Time and (B) the execution and delivery of this Agreement, if there are any debt securities or preferred stock of or guaranteed by the Company or any of its subsidiaries that are rated by a "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act, (i) no downgrading shall have occurred in the rating accorded any such debt securities or preferred stock and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any such debt securities or preferred stock (other than an announcement with positive implications of a possible upgrading).

(d) *No Material Adverse Change*. No event or condition of a type described in Section 3(h) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(e) *Officer's Certificate*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, a certificate of the

chief financial officer or chief accounting officer of the Company and one additional senior executive officer of the Company who is satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (c) and (d) above.

(f) *Comfort Letters*. On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, Ernst & Young LLP shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than three business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(g) *Opinion and Negative Assurance Letter of Counsel for the Company.* (i) Latham & Watkins LLP, counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinion and negative assurance letter, each, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, and (ii) Matthew Hooper, in his capacity as General Counsel to the Company, shall have furnished to the Representatives, his written opinion dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Opinion and 10b-5 Statement of Counsel for the Underwriters*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement of Davis Polk & Wardwell LLP, counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment to Issuance*. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares.

(j) *Good Standing*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company and its subsidiaries in their respective jurisdictions of organization and their good standing as a foreign entity in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(k) *Exchange Listing*. The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the Exchange, subject to official notice of issuance.

(l) *Lock-up Agreements*. The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain shareholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date or Additional Closing Date, as the case may be.

(m) *Additional Documents*. On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. Indemnification and Contribution.

(a) *Indemnification of the Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, agents, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer

Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road show as defined in Rule 433(h) under the Securities Act (a "road show") or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below.

(b) *Indemnification of the Company.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the paragraph under the caption "Underwriting."

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the reasonable fees and expenses of such counsel shall be at the expense of such Indemnified Person

unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be paid or reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, agents, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand,

and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the Company, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (d) above were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (d) and (e), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (d) and (e) are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

8. Effectiveness of Agreement. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

9. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Stock Market, the Chicago Board Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the

Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

10. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 10, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 11 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

11. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the fees and expenses of the Company's counsel and independent accountants; (iv) the fees and expenses incurred in connection with the registration or qualification of the Shares under the state or foreign securities or blue sky laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters) in an amount not to exceed $10,000 (excluding filing fees); (v) the cost of preparing stock certificates; (vi) the costs and charges of any transfer agent and any registrar; (vii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA, in an amount not to exceed $40,000 (excluding filing fees); (viii) all expenses incurred by the Company in connection with any "road show" presentation to potential investors, provided, however, that the Underwriters and the Company shall each pay 50% of the cost of chartering any aircraft to be used in connection with the roadshow by the Company and the Underwriters; and (ix) all expenses and application fees related to the listing of the Shares on the Exchange.

(b) If (i) this Agreement is terminated pursuant to Section 9, (ii) the Company for any reason fails to tender the Shares for delivery to the Underwriters or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company agrees to reimburse the Underwriters for all out-of-pocket costs and expenses (including the fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby; provided, however, that for purposes of this Section 11(b), the Company shall in no event be liable to any of the Underwriters for any other amounts, including, without limitation, damages on account of loss of anticipated profits from the sale of the Shares. For the avoidance of doubt, it is understood that the Company shall not pay or reimburse any costs, fees or expenses incurred by any Underwriter that is a defaulting Underwriter for purposes of Section 10.

12. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of the Company or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company or the Underwriters.

14. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term "affiliate" has the meaning set forth in Rule 405 under the Securities Act; (b) the term "business day" means any day other than a day on which banks are permitted or required to be closed in New York City; and (c) the term "subsidiary" has the meaning set forth in Rule 405 under the Securities Act.

15. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk and Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010, Attention: LCD-IBD. Notices to the Company shall be given to it at Coherus BioSciences, Inc., 201 Redwood Shores Parkway, Suite 200, Redwood City, California 94065 (fax:); Attention: , with a copy to (which copy shall not constitute notice): Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025 (fax: (650) 463-2600); Attention Alan C. Mendelson.

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such state.

(c) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(d) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(e) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

(f) *Patriot Act*. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

[Remainder of page intentionally left blank; signature pages follow]

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

COHERUS BIOSCIENCES, INC.

By: _____
Title:

By: _____
Name:
Title:

Accepted: As of the date first written above

J.P. MORGAN SECURITIES LLC
CREDIT SUISSE SECURITIES (USA) LLC

For themselves and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

[Signature page to Underwriting Agreement]

Schedule 1

Underwriter	Number of Shares
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
Cowen and Company, LLC	
Total	

a. Pricing Disclosure Package

[—]

[**b. Pricing Information Provided Orally by Underwriters**]

[—]

Written Testing-the-Waters Communications

[—]

Coherus BioSciences, Inc.

Pricing Term Sheet

[TO COME]

Exhibit A

FORM OF LOCK-UP AGREEMENT

, 2014

J.P. MORGAN SECURITIES LLC
CREDIT SUISSE SECURITIES (USA) LLC

As Representatives of
the several Underwriters listed in
Schedule 1 to the Underwriting
Agreement referred to below

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010

Re: Coherus BioSciences, Inc. — Initial Public Offering Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as Representatives of the several Underwriters, propose to enter into an Underwriting Agreement (the "Underwriting Agreement") with Coherus BioSciences, Inc., a Delaware corporation (the "Company"), providing for the public offering (the "Public Offering") by the several Underwriters named in Schedule 1 to the Underwriting Agreement (the "Underwriters"), of shares (the "Securities") of the common stock, $0.001 par value per share, of the Company (the "Common Stock"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the Underwriters' agreement to purchase and make the Public Offering of the Securities, and for other good and valuable consideration receipt of which is hereby acknowledged, the undersigned hereby agrees that, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC on behalf of the Underwriters, the undersigned will not, subject to the exceptions set forth in this Letter Agreement, during the period from the date hereof ending 180 days after the date of the prospectus relating to the Public Offering (the "Restricted Period"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (including

without limitation, Common Stock or such other securities which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) (collectively, the "Undersigned's Shares"), or publicly disclose the intention to make any offer, sale, pledge or disposition, (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 Common Stock or any security convertible into or exercisable or exchangeable for Common Stock, in each case other than (A) any Securities to be sold by the undersigned pursuant to the Underwriting Agreement, (B) transfers of the Undersigned's Shares as a bona fide gift or gifts, (C) transfers or dispositions of the Undersigned's Shares to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, (D) transfers or dispositions of the Undersigned's Shares to any corporation, partnership, limited liability company or other entity, all of the beneficial ownership interests of which are held by the undersigned or the immediate family of the undersigned, (E) transfers or dispositions of the Undersigned's Shares by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the undersigned, (F) transfers of the Undersigned's Shares to partners, members or stockholders of the undersigned, or to another partnership, limited liability company, corporation or other business entity that controls, is controlled by or is under common control with the undersigned and (G) transfers that occur by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; provided that in the case of any transfer or distribution pursuant to clause (B), (C), (D), (E), (F) or (G), each transferee, donee or distributee shall execute and deliver to the Representative a lock-up letter in the form of this paragraph; and provided, further, that in the case of any transfer, disposition or distribution pursuant to clause (B), (C), (D), (E), (F) or (G), no filing by any party (donor, donee, transferor or transferee) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the Restricted Period) and any such transfer or distribution shall not involve a disposition for value. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any Company-directed Securities the undersigned may purchase in the Public Offering. For purposes of this Letter Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

Furthermore, notwithstanding the restrictions imposed by this Letter Agreement, the undersigned may, without the prior written consent of J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, (i) exercise an option or warrant (including a net or cashless exercise of an option or warrant) to purchase shares of Common Stock or preferred stock, par value $0.001, of the Company (the "Preferred Stock"), and transfer shares of Common Stock to the Company to cover tax withholding obligations of the undersigned in connection with any such option exercise, provided that the underlying shares of Common Stock or Preferred Stock shall continue to be subject to the restrictions on transfer set forth in this Letter Agreement, (ii) establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Common Stock, provided that such plan does not provide for any transfers of Common Stock during the

Restricted Period, and (iii) transfer or dispose of shares of Common Stock acquired on the open market following the Public Offering, provided that, with respect to each of (i) – (iii) above, no filing under the Exchange Act or other public announcement shall be required or shall be made voluntarily in connection with such transfer or disposition during the Restricted Period (other than in respect of (a) a required filing under the Exchange Act made in connection with the exercise of warrants that will expire or automatically exercise by their terms in connection with the Public Offering and (b) a required filing under the Exchange Act in connection with the exercise of an option to purchase Common Stock following such individual's termination of employment with the Company that would otherwise expire during the Restricted Period, provided that reasonable notice shall be provided to J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC prior to any such filing, and provided further that, for the avoidance of doubt, for each of (a) and (b) the underlying shares of Common Stock shall continue to be subject to the restrictions on transfer set forth in this Letter Agreement).

If the undersigned is an officer or director of the Company, (i) J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC on behalf of the Underwriters agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC on behalf of the Underwriters will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC on behalf of the Underwriters hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this Letter Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

In furtherance of the foregoing, the Company, and any duly appointed transfer agent for the registration or transfer of the securities described herein, are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Letter Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Letter Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

In the event that any holder of the Company's securities that is an officer or director or a holder that beneficially owns, or a member of a group that beneficially owns, more than 5% of the Common Stock (other than the Company or the undersigned) is permitted by J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC to sell or otherwise transfer or dispose of shares of Common Stock for value other than as permitted by this or a substantially similar Letter Agreement entered into by such holder, the same percentage of shares of Common Stock held by the undersigned (the "Pro-rata Release") shall be immediately and fully released on the same terms from any remaining restrictions set forth herein; provided, however, that such

Pro-rata Release shall not be applied in the event of (i) permission granted to any equity holder by J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC to sell or otherwise transfer or dispose of shares of Common Stock for value in an amount less than or equal to $2,000,000 in aggregate value of Common Stock in respect of such party, or (ii) any underwritten public offering of Common Stock, whether or not such offering is wholly or partially a secondary offering of Common Stock during the Restricted Period.

The undersigned understands that, if either J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, on the one hand, or the Company, on the other hand, informs the other, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Public Offering, if the Underwriting Agreement does not become effective by March 31, 2015, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder, the undersigned shall be released from, all obligations under this Letter Agreement. The undersigned understands that the Underwriters are entering into the Underwriting Agreement and proceeding with the Public Offering in reliance upon this Letter Agreement.

This Letter Agreement and any claim, controversy or dispute arising under or related to this Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

Very truly yours,

Print Name: _____

By: _____
Name:
Title:

Exhibit B

FORM OF WAIVER OF LOCK-UP

Coherus BioSciences, Inc.
Public Offering of Common Stock

, 20

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Coherus BioSciences, Inc. (the "Company") of shares of common stock, $0.001 par value (the "Common Stock"), of the Company and the lock-up letter dated , 2014 (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated , 20 , with respect to shares of Common Stock (the "Shares").

J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective , 20 ; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

Yours very truly,

J.P. MORGAN SECURITIES LLC

By: _____
Name:
Title:

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name:
Title:

cc: Company

Coherus BioSciences, Inc.
[Date]

Coherus BioSciences, Inc. (the "Company") announced today that J.P. Morgan Securities LLC and Credit Suisse Securities (USA) LLC, the joint book-running managers in the Company's recent public sale of shares of common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

SIXTH 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.

Effective upon the filing of this Restated Certificate of Incorporation with the Secretary of State of the State of Delaware:

1. Each 1.667 shares of Common Stock, $0.0001 par value per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, $0.0001 par value per share, of the Company. All shares of Common Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (after giving effect to the foregoing reverse stock split) as determined by the board of directors of the Company (the "**Board of Directors**").

2. Each 1.667 shares of Series A Preferred, $0.0001 par value per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Series A Preferred, $0.0001 par value per share, of the Company. All shares of Series A Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series A Preferred (after giving effect to the foregoing reverse stock split) as determined by the Company's Board of Directors.

3. Each 1.667 shares of Series B Preferred, $0.0001 par value per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Series B Preferred, $0.0001 par value per share, of the Company. All shares of Series B Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series B Preferred (after giving effect to the foregoing reverse stock split) as determined by the Company's Board of Directors.

4. Each 1.667 shares of Series C Preferred, $0.0001 par value per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Series C Preferred, $0.0001 par value per share, of the Company. All shares of Series C Preferred (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Company shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series C Preferred (after giving effect to the foregoing reverse stock split) as determined by the Company's Board of Directors

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 as of May 9, 2014, 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. 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, $1.2503 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, $6.9749 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, $10.0020 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 $1.2503, $6.9749 and $10.0020, 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 $1.2503, $6.9749 and $10.0020, 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 Sixth 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 6,196,782 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 Sixth 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 Sixth 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 Sixth 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 Sixth 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 Sixth 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 Sixth 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.

Exhibit 3.2

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

COHERUS BIOSCIENCES, INC.

Coherus BioSciences, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law"), hereby certifies as follows:

ONE: 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 of the Company was filed with the Secretary of State of the State of Delaware on May 9, 2014.

TWO: This Amended and Restated Certificate of Incorporation, which restates and further amends the provisions of this corporation's amended and restated certificate of incorporation, has been duly adopted in accordance with the provisions of Sections 242, 245 and 228 of the Delaware General Corporation Law, and prompt written notice will be duly given pursuant to Section 228 of the Delaware General Corporation Law.

THREE: The certificate of incorporation of this corporation is hereby amended and restated in its entirety as follows:

ARTICLE I

The name of the corporation is Coherus BioSciences, Inc. (the "Corporation").

ARTICLE II

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.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law.

ARTICLE IV

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares that the Corporation is authorized to issue is Three Hundred Five Million (305,000,000), divided into Three Hundred Million (300,000,000) shares of Common Stock and Five Million (5,000,000) shares of Preferred Stock. The Common Stock shall have a par value of $0.0001 per share and the Preferred Stock shall have a par value of $0.0001 per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "Board of Directors") is hereby authorized, by filing a certificate (a "Certificate of Designation") pursuant to the Delaware General Corporation Law, to fix or alter from time to time the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions of any wholly unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. (1) The management of the business and the conduct of the affairs of the Corporation shall be vested in the Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board of Directors.

(2) The directors shall be divided into three classes, designated as Class I, Class II and Class III, as nearly equal in number as possible. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board of Directors. At the first annual meeting of stockholders following the effectiveness of this Amended and Restated Certificate of Incorporation (the "Qualifying Record Date"), the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the Qualifying Record Date, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual

meeting of stockholders following the Qualifying Record Date, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this Article V(A), each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(3) The Board of Directors or any individual director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors (the "Voting Stock") or (ii) without cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of Voting Stock.

(4) Any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, except as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

B. (1) Subject to Article X of the Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal Bylaws of the Corporation. Notwithstanding the foregoing, the Bylaws of the Corporation may be rescinded, altered, amended or repealed in any respect by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all the then-outstanding shares of the Voting Stock.

(2) The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

ARTICLE VI

A. Subject to the rights of the holders of any series of Preferred Stock or any other class of stock or series thereof having a preference over the Common Stock as to dividends or upon liquidation, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation, and the taking of any action by written consent of the stockholders in lieu of a meeting of the stockholders is specifically denied.

B. Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by the Secretary of the Corporation at the direction of the Board of Directors, pursuant to a resolution adopted by a majority of the entire Board of Directors, but such special meetings may not be called by any other person or persons.

C. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VII

A. To the maximum extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended.

B. The Corporation may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she, or his or her testator or intestate is or was a director, officer, employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director, officer, employee or agent at the request of the Corporation or any predecessor to the Corporation.

C. Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Corporation's certificate of incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

ARTICLE IX

Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, this Amended and Restated Certificate of Incorporation or any Certificate of Designation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, VII, VIII and IX.

ARTICLE X

This Amended and Restated Certificate of Incorporation shall be effective as of [8:00 a.m.] Eastern Time on [ ], 2014.

* * * *

IN WITNESS WHEREOF, the undersigned has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this [ ] day of [ ], 2014.

Coherus BioSciences, Inc.

By: _____

Dennis M. Lanfear
President and Chief Executive Officer

AMENDED AND RESTATED BYLAWS OF COHERUS BIOSCIENCES, INC.

(a Delaware corporation)

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AMENDED AND RESTATED
BYLAWS OF
COHERUS BIOSCIENCES, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE.

The registered office of Coherus BioSciences, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation, as the same may be amended from time to time (the "certificate of incorporation").

1.2 OTHER OFFICES.

The Corporation's board of directors (the "Board") may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 ANNUAL MEETING.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Section 2.4 may be transacted.

2.3 SPECIAL MEETING.

A special meeting of the stockholders may be called at any time by the Secretary of the Corporation at the direction of the Board, pursuant to a resolution adopted by a majority of the entire Board, but such special meetings may not be called by any other person or persons.

No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

2.4 ADVANCE NOTICE PROCEDURES FOR BUSINESS BROUGHT BEFORE A MEETING.

(i) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in a notice of meeting given by or at the direction of the Board, (b) if not specified in a notice of meeting, otherwise brought before the meeting by or at the direction of the Board or the chairperson of the Board, or (c) otherwise properly brought before the meeting by a stockholder present in person who (A)(1) was a beneficial owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (2) is entitled to vote at the meeting and (3) has complied with this Section 2.4 in all applicable respects, or (B) properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"). The foregoing clause (c) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. The only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting pursuant to Section 2.3 of these bylaws, and stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders. For purposes of this Section 2.4, "present in person" shall mean that the stockholder proposing that the business be brought before the annual meeting of the Corporation, or, if the proposing stockholder is not an individual, a qualified representative of such proposing stockholder, appear at such annual meeting. A "qualified representative" of such proposing stockholder shall be, if such proposing stockholder is (x) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (y) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (z) a trust, any trustee of such trust. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5 of these bylaws, and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5 of these bylaws.

(ii) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (a) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (b) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; *provided*, *however*, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the ninetieth (90th) day prior to such annual meeting or, if later, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

(iii) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the Secretary shall set forth:

(a) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(b) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class or series of shares of the Corporation; *provided* that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, *provided, further*, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C)(x) if such Proposing Person is (i) a general or limited partnership, syndicate or other group, the identity of each general partner and each person who functions as a general partner of the general or limited partnership, each member of the syndicate or group and each person controlling the general partner or member, (ii) a corporation or a limited liability company, the identity of each officer and each person who functions as an officer of the corporation or limited liability company, each person controlling the corporation or limited liability company and each officer, director, general partner and person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (iii) a trust, any trustee of such trust (each such person or persons set forth in the preceding clauses (i), (ii) and (iii), a "Responsible Person"), any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person and any material interests or relationships of such Responsible Person that are not shared generally by other record or beneficial holders of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, and (y) if such Proposing Person is a natural person, any material interests or relationships of such natural person that are not shared generally by other record or beneficial holders of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, (D) any material shares or any Synthetic Equity Position in any principal competitor of the Corporation in any principal industry of the Corporation held by such Proposing Persons, (E) a summary of any material discussions regarding the business proposed to be brought before the meeting (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class

or series of the Corporation (including their names), (F) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (G) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (H) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement) and (I) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (I) are referred to as "Disclosable Interests"); *provided*, *however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

(c) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings between or among any of the Proposing Persons or between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; *provided*, *however*, that the disclosures required by this Section 2.4(iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(iv) For purposes of this Section 2.4, the term "Proposing Person" shall mean (a) the stockholder providing the notice of business proposed to be brought before an annual meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made and (c) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation or associate (within the meaning of Rule 12b-2 under the Exchange Act for the purposes of these bylaws) of such stockholder or beneficial owner.

(v) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for notice of the meeting (in the case of the update and supplement required to be made as of such

record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(vi) Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 2.4. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(vii) This Section 2.4 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders, other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 2.4 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(viii) For purposes of these bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

2.5 ADVANCE NOTICE PROCEDURES FOR NOMINATIONS OF DIRECTORS.

(i) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (a) by or at the direction of the Board, including by any committee or persons authorized to do so by the Board or these bylaws, or (b) by a stockholder present in person (A) who was a beneficial owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.5 as to such notice and nomination. The foregoing clause (b) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting or special meeting. For purposes of this Section 2.5, "present in person" shall mean that the stockholder proposing that the business be brought before the meeting of the Corporation, or, if the proposing stockholder is not an individual, a qualified representative of such stockholder, appear at such meeting. A "qualified representative" of such proposing stockholder shall be, if such proposing stockholder is (x) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (y) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (z) a trust, any trustee of such trust.

(ii) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (a) provide Timely Notice (as defined in Section 2.4(ii) of these bylaws) thereof in writing and in proper form to the Secretary of the

Corporation, (b) provide the information with respect to such stockholder and its proposed nominee as required by this Section 2.5, and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (a) provide timely notice thereof in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation, (b) provide the information with respect to such stockholder and its proposed nominee as required by this Section 2.5, and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4(ix) of these bylaws) of the date of such special meeting was first made. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iii) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the Secretary shall set forth:

(a) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 2.4(iii)(a) of these bylaws) except that for purposes of this Section 2.5, the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(a);

(b) As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(iii)(b), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(b) and the disclosure with respect to the business to be brought before the meeting in Section 2.4(iii)(b) shall be made with respect to the election of directors at the meeting);

(c) As to each person whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Section 2.5 if such proposed nominee were a Nominating Person, (B) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each proposed nominee or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant (the disclosures to be made pursuant to the foregoing clauses (A) through (C) are referred to as "Nominee Information"), and (D) a completed and signed questionnaire, representation and agreement as provided in Section 2.5(vi); and

(d) The Corporation may require any proposed nominee to furnish such other information (A) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's Corporate Governance Guidelines or (B) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

(iv) For purposes of this Section 2.5, the term "Nominating Person" shall mean (a) the stockholder providing the notice of the nomination proposed to be made at the meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made and (c) any associate of such stockholder or beneficial owner or any other participant in such solicitation.

(v) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for notice of the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(vi) To be eligible to be a nominee for election as a director of the Corporation at an annual or special meeting, the proposed nominee must be nominated in the manner prescribed in Section 2.5 and must deliver (in accordance with the time period prescribed for delivery in a notice to such proposed nominee given by or on behalf of the Board), to the Secretary at the principal executive offices of the Corporation, (a) a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (b) a written representation and agreement (in form provided by the Corporation) that such proposed nominee (A) is not and, if elected as a director during his or her term of office, will not become a party to (1) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") or (2) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director and (C) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any proposed nominee, the Secretary of the Corporation shall provide to such proposed nominee all such policies and guidelines then in effect).

(vii) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(viii) No proposed nominee shall be eligible for nomination as a director of the Corporation unless such proposed nominee and the Nominating Person seeking to place such proposed nominee's name in nomination have complied with this Section 2.5, as applicable. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Section 2.5, and if he or she should so determine, he or she shall so declare such determination to the meeting, the defective nomination shall be disregarded and any ballots cast for the proposed nominee in question (but in the case of any form of ballot listing other qualified nominees, only the ballots case for the nominee in question) shall be void and of no force or effect.

2.6 NOTICE OF STOCKHOLDERS' MEETINGS.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with either Section 2.7 or Section 8.1 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.7 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of stockholders shall be deemed given:

(i) if mailed, when deposited in the U.S. mail, postage prepaid, directed to the stockholder at his or her address as it appears on the Corporation's records; or

(ii) if electronically transmitted as provided in Section 8.1 of these bylaws.

An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.8 QUORUM.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the holders of a majority in voting power of the stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting or (ii) a majority in voting power of the stockholders entitled to vote at the meeting, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to adjourn the meeting from time to time in the manner provided in Section 2.9 of these bylaws until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.9 ADJOURNED MEETING; NOTICE.

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote

communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.10 CONDUCT OF BUSINESS.

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

2.11 VOTING.

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.13 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

At all duly called or convened meetings of stockholders, at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. Except as otherwise provided by the certificate of incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, all other elections and questions presented to the stockholders at a duly called or convened meeting, at which a quorum is present, shall be decided by the majority of the votes cast affirmatively or negatively (excluding abstentions and broker non-votes) and shall be valid and binding upon the Corporation.

2.12 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof having a preference over the Common Stock as to dividends or upon liquidation, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

2.13 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING; GIVING CONSENTS.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other such action.

If the Board does not so fix a record date:

(i) 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.

(ii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board may fix a new record date for the adjourned meeting.

2.14 PROXIES.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, 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. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of a telegram, cablegram or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other means of electronic transmission was authorized by the stockholder.

2.15 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

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 the 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. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. 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) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal executive office. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. 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. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.16 INSPECTORS OF ELECTION.

Before any meeting of stockholders, the Board shall appoint an inspector or inspectors of election to act at the meeting or its adjournment and make a written report thereof. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy.

Such inspectors shall:

(i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;

(ii) receive votes or ballots;

(iii) hear and determine all challenges and questions in any way arising in connection with the right to vote;

(iv) count and tabulate all votes;

(v) determine when the polls shall close;

(vi) determine the result; and

(vii) do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS.

Subject to the provisions of the DGCL and any limitations in the certificate of incorporation or these bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board.

3.2 NUMBER OF DIRECTORS.

The authorized number of directors shall be determined from time to time by resolution of the Board, provided the Board shall consist of at least one (1) member. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS.

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the Corporation shall be divided into three (3) classes.

3.4 RESIGNATION AND VACANCIES.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall, unless the Board determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board shall be deemed to exist under these bylaws in the case of the death, removal or resignation of any director.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this bylaw shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS.

Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

3.7 SPECIAL MEETINGS; NOTICE.

Special meetings of the Board for any purpose or purposes may be called at any time by the Board, the chief executive officer, the president, the secretary or a majority of the authorized number of directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by U.S. mail, it shall be deposited in the U.S. mail at least four (4) days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM.

At all meetings of the Board, a majority of the authorized number of directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. 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.

3.10 FEES AND COMPENSATION OF DIRECTORS.

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS.

Except as otherwise provided by the DGCL, the Board of Directors or any individual director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all the then outstanding shares of voting stock of the Corporation entitled to vote at an election of directors (the "Voting Stock") or (ii) without cause by the affirmative vote of the holders of at least sixty six and two thirds percent (66-2/3%) of the voting power of all the then outstanding shares of the Voting Stock.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS.

The Board may designate one (1) or more committees, each committee to consist of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of 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 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 or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation.

4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum);

(v) Section 7.12 (waiver of notice); and

(vi) Section 3.9 (action without a meeting),

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V - OFFICERS

5.1 OFFICERS.

The officers of the Corporation shall be a president and a secretary. The Corporation may also have, at the discretion of the Board, a chairperson of the Board, a vice chairperson of the Board, a chief executive officer, a chief financial officer or treasurer, one (1) or more vice presidents, one (1) or more assistant vice presidents, one (1) or more assistant treasurers, one (1) or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS.

The Board may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.2.

5.6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairperson of the Board, the president, any vice president, the treasurer, the secretary or assistant secretary of the Corporation, or any other person authorized by the Board or the president or a vice president, is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board or the stockholders and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE VI - RECORDS AND REPORTS

6.1 MAINTENANCE AND INSPECTION OF RECORDS.

The Corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation’s stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person’s interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent so to act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal executive office.

6.2 INSPECTION BY DIRECTORS.

Any director shall have the right to examine the Corporation’s stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the Corporation to permit the director to inspect any and

all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

ARTICLE VII - GENERAL MATTERS

7.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.2 STOCK CERTIFICATES; PARTLY PAID SHARES.

The shares of the Corporation shall be represented by certificates or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the certificate of incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by the chairperson or vice-chairperson of the Board, or the president or 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 of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has 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 he or she were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.3 SPECIAL DESIGNATION ON CERTIFICATES.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; *provided, however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.4 LOST CERTIFICATES.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.5 CONSTRUCTION; DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

7.6 DIVIDENDS.

The Board, subject to any restrictions contained in either (i) the DGCL or (ii) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

7.7 FISCAL YEAR.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.8 SEAL.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.9 TRANSFER OF STOCK.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the

authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

7.10 STOCK TRANSFER AGREEMENTS.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.11 REGISTERED STOCKHOLDERS.

The Corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.12 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

7.13 FORUM FOR ADJUDICATION OF DISPUTES.

Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware, in all cases subject to the court’s having personal jurisdiction over the indispensable parties named as defendants.

ARTICLE VIII - NOTICE BY ELECTRONIC TRANSMISSION

8.1 NOTICE BY ELECTRONIC TRANSMISSION.

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

8.2 DEFINITION OF ELECTRONIC TRANSMISSION.

An “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX - INDEMNIFICATION

9.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended, any director or officer of the Corporation 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 he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with any such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.4, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized in the specific case by the Board.

9.2 INDEMNIFICATION OF OTHERS.

The Corporation shall have the power to indemnify and hold harmless, to the extent permitted by applicable law as it presently exists or may hereafter be amended, any employee or agent of the Corporation who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

9.3 PREPAYMENT OF EXPENSES.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by any officer or director of the Corporation, and may pay the expenses incurred by any employee or agent of the Corporation, 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 person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Article IX or otherwise.

9.4 DETERMINATION; CLAIM.

If a claim for indemnification (following the final disposition of such Proceeding) or advancement of expenses under this Article IX is not paid in full within sixty (60) days after a written claim therefor has been received by the Corporation the claimant 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 to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

9.5 NON-EXCLUSIVITY OF RIGHTS.

The rights conferred on any person by this Article IX 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.

9.6 INSURANCE.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

9.7 OTHER INDEMNIFICATION.

The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

9.8 CONTINUATION OF INDEMNIFICATION.

The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article IX shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

9.9 AMENDMENT OR REPEAL.

The provisions of this Article IX shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these bylaws), in consideration of such person's performance of such services, and pursuant to this Article IX the Corporation intends to be legally bound to each such current or former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article IX are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of theses bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article IX shall not adversely affect any right or protection (i) hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

ARTICLE X - AMENDMENTS

Subject to the limitations set forth in Section 9.9 of these bylaws or the provisions of the certificate of incorporation, the Board is expressly empowered to adopt, amend or repeal the bylaws of the Corporation. Any adoption, amendment or repeal of the bylaws of the Corporation by the Board shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the bylaws of the Corporation; *provided*, *however*, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the certificate of incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote at an election of directors.

COHERUS BIOSCIENCES, INC.

CERTIFICATE OF AMENDMENT AND RESTATEMENT OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary of Coherus BioSciences, Inc., a Delaware corporation, and that the foregoing bylaws, comprising 23 pages, were amended and restated on [—], 2014 by the Corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this [—] day of [—], 2014.

[NAME]
Secretary

Exhibit 4.2


NUMBER
SHARES
Coherus
BIOSCIENCES
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE SIDE FOR CERTAIN DEFINITIONS
CUSIP 19249H 10 3
THIS CERTIFIES THAT
is the owner of
FULLY PAID AND NON-ASSESSABLE COMMON SHARES, $0.0001 PAR VALUE, OF
COHERUS BIOSCIENCES, INC.
transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed. This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.
IN WITNESS WHEREOF, the said Corporation has caused this certificate to be signed by facsimile signatures of its duly authorized officers.
Dated:
PRESIDENT AND CHIEF EXECUTIVE OFFICER
SECRETARY
COUNTERSIGNED AND REGISTERED:
WELLS FARGO BANK, N.A.
BY
AUTHORIZED SIGNATURE
TRANSFER AGENT AND REGISTRAR
AMERICAN FINANCIAL PRINTING INCORPORATED – MINNEAPOLIS

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

TEN ENT – as tenants by entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UTMA – _____ (Cust) Custodian _____ (Minor)
under Uniform Transfers to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received ____ hereby sell, assign, and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)

_____

_____

_____ Shares of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint _____ _____ Attorney to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated _____ _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION (SUCH AS A BANK OR BROKER) WHICH IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM ("SEMP") AND MUST NOT BE DATED. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

Exhibit 5.1

140 Scott Drive
Menlo Park, California 94025
Tel: +1.650.328.4600 Fax: +1.650.463.2600
www.lw.com

LATHAM & WATKINS LLP

October 24, 2014

Coherus BioSciences, Inc.
201 Redwood Shores Parkway
Suite 200
Redwood City, CA 9406

Re: Form S-1 Registration Statement File No. 333-198936
Initial Public Offering of up to 7,240,745 Shares of Common Stock
of Coherus BioSciences, Inc.

Ladies and Gentlemen:

We have acted as special counsel to Coherus BioSciences, Inc., a Delaware corporation (the "***Company***"), in connection with the proposed issuance of up to 7,240,745 shares of common stock, $0.0001 par value per share (the "***Shares***"). The Shares are included in a registration statement on Form S–1 under the Securities Act of 1933, as amended (the "***Act***"), filed with the Securities and Exchange Commission (the "***Commission***") on September 25, 2014 (Registration No. 333–198936) (as amended, the "***Registration Statement***"). This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus (the "***Prospectus***"), other than as expressly stated herein with respect to the issuance of the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the General Corporation Law of the State of Delaware (the "***DGCL***"), and we express no opinion with respect to any other laws.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, when the Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the purchasers and have been issued by

the Company against payment therefor (not less than par value) in the circumstances contemplated by the form of underwriting agreement filed as an exhibit to the Registration Statement, the issuance and sale of the Shares will have been duly authorized by all necessary corporate action of the Company, and the Shares will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the DGCL.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm in the Prospectus under the heading "Legal Matters." In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

COHERUS BIOSCIENCES, INC.
2014 EQUITY INCENTIVE AWARD PLAN

ARTICLE 1.

PURPOSE

The purpose of the Coherus BioSciences, Inc. 2014 Equity Incentive Award Plan (as it may be amended from time to time, the "Plan") is to promote the success and enhance the value of Coherus BioSciences, Inc. (the "Company") by linking the individual interests of the members of the Board, Employees, and Consultants to those of the Company's stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Company's stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2.

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the entity that conducts the general administration of the Plan as provided in Article 13 hereof. With reference to the duties of the Administrator under the Plan which have been delegated to one or more persons pursuant to Section 13.6 hereof, or as to which the Board has assumed, the term "Administrator" shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 "Affiliate" shall mean any Parent or Subsidiary.

2.3 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.4 "Applicable Law" shall mean any applicable law, including without limitation, (i) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (ii) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign; and (iii) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.5 "Award" shall mean an Option, a Restricted Stock award, a Restricted Stock Unit award, a Performance Award, a Dividend Equivalents award, a Deferred Stock award, a Deferred Stock Unit award, a Stock Payment award or a Stock Appreciation Right, which may be awarded or granted under the Plan (collectively, "Awards").

2.6 "Award Agreement" shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

2.7 "Board" shall mean the Board of Directors of the Company.

2.8 "Cause" shall mean, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Holder and the Company applicable to an Award, the occurrence of any of the following events: (i) the Holder's repeated unexplained or unjustified absence from the Company or gross negligence, willful misconduct, or repeated, willful and flagrant insubordination in the performance of the Holder's duties to the Company, which behavior remains uncured more than 30 days following written notice from the Company of its reasonable belief that there is Cause for the Holder's termination under this clause (i); (ii) the Holder's commission of any act of fraud that is related to the Holder's personal gain with respect to the Company; (iii) the Holder's commission of a felony or a crime causing material harm to the standing and reputation of the Company, or affects the Company in a material financial way; or (iv) the Holder's continued failure, 60 days after the Company provides written notice to the Holder, to meet performance standards within the Holder's control and achievable given the Company's resources, each as reasonably determined by the Company and specifying the areas in which the Holder's performance must improve.

2.9 "Change in Control" shall mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(a) 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; or

(b) 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 2.9(a) or 2.9(c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds 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

(c) 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:

(i) 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

(ii) 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 2.9(c)(ii) as beneficially owning 50% or more of the 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

(d) The Company's stockholders approve a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any portion of an Award that provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof) must also constitute a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A.

The Committee shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority is in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

2.10 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.11 "Committee" shall mean the Compensation Committee of the Board, a subcommittee of the Compensation Committee of the Board or another committee or subcommittee of the Board, appointed as provided in Section 13.1 hereof.

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

2.13 "Company" shall have the meaning set forth in Article 1 hereof.

2.14 "Consultant" shall mean any consultant or advisor engaged to provide services to the Company or any Affiliate who qualifies as a consultant or advisor under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement or any successor Form thereto or, prior to the Public Trading Date, under Rule 701 of the Securities Act.

2.15 "Covered Employee" shall mean any Employee who is, or could be, a "covered employee" within the meaning of Section 162(m) of the Code.

2.16 "Deferred Stock" shall mean a right to receive Shares awarded under Section 10.4 hereof.

2.17 "Deferred Stock Unit" shall mean a right to receive Shares awarded under Section 10.5 hereof.

2.18 "Director" shall mean a member of the Board, as constituted from time to time.

2.19 "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 10.2 hereof.

2.20 "DRO" shall mean a "domestic relations order" as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.21 "Effective Date" shall mean immediately prior to the time at which the Company registration statement relating to its initial public offering becomes effective, provided that the Board has adopted the Plan prior to or on such date, subject to approval of the Plan by the Company's stockholders.

2.22 "Eligible Individual" shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.23 "Employee" shall mean any officer or other employee (as determined in accordance with Section 3401(c) of the Code and the Treasury Regulations thereunder) of the Company or any Affiliate.

2.24 "Equity Restructuring" shall mean a nonreciprocal 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 number or kind of Shares (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 stock-based Awards.

2.25 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.26 "Fair Market Value" shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

Notwithstanding the foregoing, with respect to any Award granted after the effectiveness of the Company's registration statement relating to its initial public offering and prior to the Public Trading Date, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

2.27 "Good Reason" shall mean, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Holder and the Company applicable to an Award, with respect to any particular Holder, the Holder's resignation from all positions he or she then-holds with the Company if (A) without Holder's written consent (I) there is a material reduction of the Holder's base salary; *provided*, *however*, that a material reduction in the Holder's base salary pursuant to a salary reduction program affecting all or substantially all of the employees of the Company and that does not adversely affect Holder to a greater extent than other similarly situated employees shall not constitute Good Reason; or (II) the Holder is required to relocate his or her primary work location to a facility or location that would increase the Holder's one way commute distance by more than fifty (50) miles from the Holder's primary work location as of immediately prior to such change, (B) the Holder provides written notice outlining such conditions, acts or omissions to the Company's General Counsel within thirty (30) days immediately following such material change or reduction, (C) such material change or reduction is not remedied by the Company within thirty (30) days following the Company's receipt of such written notice and (D) the Holder's resignation is effective not later than thirty (30) days after the expiration of such thirty (30) day cure period.

2.28 "Greater Than 10% Stockholder" shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any "parent corporation" or "subsidiary corporation" (as defined in Sections 424(e) and 424(f) of the Code, respectively).

2.29 "Holder" shall mean a person who has been granted an Award.

2.30 "Incentive Stock Option" shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.31 "Non-Employee Director" shall mean a Director of the Company who is not an Employee.

2.32 "Non-Employee Director Equity Compensation Policy" shall have the meaning set forth in Section 4.6 hereof.

2.33 "Non-Qualified Stock Option" shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.34 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 6 hereof. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.35 "Option Term" shall have the meaning set forth in Section 6.4 hereof.

2.36 "Parent" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities ending with the Company if each of the entities other than the Company beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.37 "Performance Award" shall mean a cash bonus award, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 10.1 hereof.

2.38 "Performance-Based Compensation" shall mean any compensation that is intended to qualify as "performance-based compensation" as described in Section 162(m)(4)(C) of the Code.

2.39 "Performance Criteria" shall mean the criteria (and adjustments) that the Committee selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(a) The Performance Criteria that shall be used to establish Performance Goals are limited to the following: (i) net earnings (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue; (iii) net income (either before or

after taxes); (iv) adjusted net income; (v) operating income, earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, cash flow return on investments, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs; (xiv) funds from operations; (xv) expenses; (xvi) working capital; (xvii) earnings per Share; (xviii) adjusted earnings per share; (xix) price per Share; (xx) regulatory body approval for commercialization of a product; (xxi) implementation or completion of critical projects; (xxii) market share; (xxiii) economic value; (xxiv) debt levels or reduction; (xxv) customer retention; (xxvi) sales-related goals; (xxvii) comparisons with other stock market indices; (xxviii) operating efficiency; (xxix) customer satisfaction and/or growth; (xxx) employee satisfaction; (xxxi) research and development achievements; (xxxii) financing and other capital raising transactions; (xxxiii) recruiting and maintaining personnel; and (xxxiv) year-end cash, any of which may be measured either in absolute terms for the Company or any operating unit of the Company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) The Administrator may, in its sole discretion, provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in accounting principle; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; or (xix) items relating to any other unusual or nonrecurring events or changes in Applicable Laws, accounting principles or business conditions. For all Awards intended to qualify as Performance-Based Compensation, such determinations shall be made within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code.

2.40 "Performance Goals" shall mean, with respect to a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of an Affiliate, a division, business unit or one or more individuals. The achievement of each Performance Goal shall be determined, to the extent applicable, with reference to Applicable Accounting Standards.

2.41 “Performance Period” shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder’s right to, and the payment of, a Performance Award.

2.42 “Performance Stock Unit” shall mean a Performance Award awarded under Section 10.1 hereof which is denominated in units of value including dollar value of shares of Common Stock.

2.43 “Permitted Transferee” shall mean, with respect to a Holder, (a) prior to the Public Trading Date, any “family member” of the Holder, as defined under Rule 701 of the Securities Act and (b) on or after the Public Trading Date, any “family member” of the Holder, as defined under the General Instructions to Form S-8 Registration Statement under the Securities Act or any successor Form thereto, or any other transferee specifically approved by the Administrator, after taking into account Applicable Law.

2.44 “Plan” shall have the meaning set forth in Article 1 hereof.

2.45 “Prior Plan” shall mean the Coherus BioSciences, Inc. 2010 Equity Incentive Plan, as such plan may be amended from time to time.

2.46 “Program” shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.47 “Public Trading Date” shall mean the first date upon which the Common Stock 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.

2.48 “Restricted Stock” shall mean an award of Shares made under Article 8 hereof that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

2.49 “Restricted Stock Unit” shall mean a contractual right awarded under Article 9 hereof to receive in the future a Share or the Fair Market Value of a Share in cash.

2.50 “Securities Act” shall mean the Securities Act of 1933, as amended.

2.51 “Shares” shall mean shares of Common Stock.

2.52 “Share Limit” shall have the meaning set forth in Section 3.1(a) hereof.

2.53 “Stock Appreciation Right” shall mean a stock appreciation right granted under Article 11 hereof.

2.54 “Stock Appreciation Right Term” shall have the meaning set forth in Section 11.4 hereof.

2.55 "Stock Payment" shall mean (a) a payment in the form of Shares, or (b) an option or other right to purchase Shares, as part of a bonus, deferred compensation or other arrangement, awarded under Section 10.3 hereof.

2.56 "Subsidiary" shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing more than fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.57 "Substitute Award" shall mean an Award granted under the Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

2.58 "Termination of Service" shall mean:

(a) As to a Consultant, the time when the engagement of a Holder as a Consultant to the Company or an Affiliate is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company or any Affiliate.

(b) As to a Non-Employee Director, the time when a Holder who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Affiliate.

(c) As to an Employee, the time when the employee-employer relationship between a Holder and the Company or any Affiliate is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Affiliate.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to Terminations of Service, including, without limitation, the question of whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of the Program, the Award Agreement or otherwise, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then applicable regulations and revenue rulings under said Section.

For purposes of the Plan, a Holder's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Holder ceases to remain an Affiliate following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

ARTICLE 3.

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Sections 14.1, 14.2 and 3.1(b) hereof, the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan shall be equal to the sum of (i) 2,300,000 Shares, (ii) any of the Shares which as of the Effective Date are available for issuance under the Prior Plan, or are subject to awards under the Prior Plan that, on or after the Effective Date, terminate, expire or lapse for any reason without the delivery of Shares to the holder thereof, up to a maximum of 6,144,558 Shares, and (iii) an annual increase on the first day of each year beginning in 2015 and ending in 2024, in each case subject to the approval of the Administrator on or prior to the applicable date, equal to the lesser of (A) four percent (4%) of the Shares outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of Shares as determined by the Board (such sum, the "Share Limit"); provided, however, no more than 18,846,815 Shares may be issued upon the exercise of Incentive Stock Options. Notwithstanding the foregoing, Shares added to the Share Limit pursuant to Section 3.1(a)(ii) or Section 3.1(a)(iii) hereof shall be available for issuance as Incentive Stock Options only to the extent that making such Shares available for issuance as Incentive Stock Options would not cause any Incentive Stock Option to cease to qualify as such. Notwithstanding the foregoing, to the extent permitted under Applicable Law, Awards that provide for the delivery of Shares subsequent to the applicable grant date may be granted in excess of the Share Limit if such Awards provide for the forfeiture or cash settlement of such Awards to the extent that insufficient Shares remain under the Share Limit in this Section 3.1 at the time that Shares would otherwise be issued in respect of such Award. As of the Effective Date, no further awards may be granted under the Prior Plan; however, any awards under the Prior Plan that are outstanding as of the Effective Date shall continue to be subject to the terms and conditions of the Prior Plan.

(b) If any Shares subject to an Award are forfeited or expire or such Award is settled for cash (in whole or in part), the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for future grants of Awards under the Plan and shall be added back to the Share Limit. In addition, the following Shares shall be available for future grants of Awards under the Plan and shall be added back to the Share Limit: (i) Shares tendered by a Holder or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Holder or withheld by the Company to satisfy any tax withholding obligation with respect to an Award; and (iii) Shares subject to Stock Appreciation Rights that are not issued in connection with the stock settlement of the Stock Appreciation Rights on exercise thereof. Notwithstanding anything to the contrary contained herein, Shares purchased on the open market with the cash proceeds from the exercise of Options shall not be

added back to the Share Limit and shall not be available for future grants of Awards. Any Shares repurchased by the Company under Section 8.4 hereof at the same price paid by the Holder or a lower price so that such Shares are returned to the Company will again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), 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 Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan. Additionally, in the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Affiliates immediately prior to such acquisition or combination.

3.2 Stock Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Common Stock, treasury Common Stock or Common Stock purchased on the open market.

3.3 Limitation on Number of Shares Subject to Awards to Non-Employee Directors. The maximum aggregate value of Awards (with such value determined as of the date of grant under Applicable Accounting Standards) that may be granted to any Non-Employee Director during any calendar year shall be $2,000,000.

ARTICLE 4.

GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. Except as provided in Section 4.6 hereof regarding the grant of Awards pursuant to the Non-Employee Director Equity Compensation Policy, no Eligible Individual shall have any right to be granted an Award pursuant to the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award, which may include the term of the Award, the provisions applicable in the event of the Holder’s Termination of Service, and the Company’s authority to unilaterally or bilaterally amend, modify, suspend,

cancel or rescind an Award. Award Agreements evidencing Awards intended to qualify as Performance-Based Compensation shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 162(m) of the Code. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

4.4 At-Will Employment; Voluntary Participation. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of, or as a Director or Consultant for, the Company or any Affiliate, or shall interfere with or restrict in any way the rights of the Company and any Affiliate, which rights are hereby expressly reserved, to discharge any Holder at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change all other terms and conditions of employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company or any Affiliate. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan shall be construed as mandating that any Eligible Individual shall participate in the Plan.

4.5 Foreign Holders. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in countries other than the United States in which the Company and its Affiliates operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Affiliates shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with applicable foreign laws or listing requirements of any such foreign securities exchange; (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable (any such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Sections 3.1 and 3.3 hereof; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any such foreign securities exchange. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Code, the Exchange Act, the Securities Act, any other securities law or governing statute, the rules of the securities exchange or automated quotation system on which the Shares are listed, quoted or traded or any other Applicable Law. For purposes of the Plan, all references to foreign laws, rules, regulations or taxes shall be references to the laws, rules, regulations and taxes of any applicable jurisdiction other than the United States or a political subdivision thereof.

4.6 Non-Employee Director Awards. The Administrator may, in its discretion, provide that Awards granted to Non-Employee Directors shall be granted pursuant to a written non-discretionary formula established by the Administrator (the "Non-Employee Director Equity Compensation Policy"), subject to the limitations of the Plan. The Non-Employee Director Equity Compensation Policy shall set forth the type of Award(s) to be granted to Non-Employee Directors, the number of Shares to be subject to Non-Employee Director Awards, the conditions on which such Awards shall be granted, become exercisable and/or payable and expire, and such other terms and conditions as the Administrator shall determine in its discretion. The Non-Employee Director Equity Compensation Policy may be modified by the Administrator from time to time in its discretion.

4.7 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the sole discretion of the Administrator, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

ARTICLE 5.

PROVISIONS APPLICABLE TO AWARDS INTENDED TO QUALIFY AS PERFORMANCE-BASED COMPENSATION.

5.1 Purpose. The Committee, in its sole discretion, may determine at the time an Award is granted or at any time thereafter whether any Award is intended to qualify as Performance-Based Compensation. If the Committee, in its sole discretion, decides to grant such an Award to an Eligible Individual that is intended to qualify as Performance-Based Compensation, then the provisions of this Article 5 shall control over any contrary provision contained in the Plan. The Administrator may in its sole discretion grant Awards to other Eligible Individuals that are based on Performance Criteria or Performance Goals but that do not satisfy the requirements of this Article 5 and that are not intended to qualify as Performance-Based Compensation. Unless otherwise specified by the Committee at the time of grant, the Performance Criteria with respect to an Award intended to be Performance-Based Compensation payable to a Covered Employee shall be determined on the basis of Applicable Accounting Standards.

5.2 Applicability. The grant of an Award to an Eligible Individual for a particular Performance Period shall not require the grant of an Award to such Eligible Individual in any subsequent Performance Period and the grant of an Award to any one Eligible Individual shall not require the grant of an Award to any other Eligible Individual in such period or in any other period.

5.3 Types of Awards. Notwithstanding anything in the Plan to the contrary, the Committee may grant any Award to an Eligible Individual intended to qualify as Performance-Based Compensation, including, without limitation, Restricted Stock the restrictions with respect to which lapse upon the attainment of specified Performance Goals, Restricted Stock Units that vest and become payable upon the attainment of specified Performance Goals and any Performance Awards described in Article 10 hereof that vest or become exercisable or payable upon the attainment of one or more specified Performance Goals.

5.4 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the requirements of Section 162(m)(4)(C) of the Code, with respect to any Award granted to one or more Eligible Individuals which is intended to qualify as Performance-Based Compensation, no later than ninety (90) days following the commencement of any Performance Period or any designated fiscal period or period of service (or such earlier time as may be required under Section 162(m) of the Code), the Committee shall, in writing, (a) designate one or more Eligible Individuals, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period based on the Performance Goals, and (d) specify the relationship between the Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Committee shall certify in writing whether and the extent to which the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned under such Awards, unless otherwise provided in an applicable Program or Award Agreement, the Committee shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant, including the assessment of individual or corporate performance for the Performance Period.

5.5 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Program or Award Agreement or pursuant to Section 14.2 hereof and only to the extent otherwise permitted by Section 162(m)(4)(C) of the Code, as to an Award that is intended to qualify as Performance-Based Compensation, the Holder must be employed by the Company or an Affiliate throughout the applicable Performance Period. Unless otherwise provided in the applicable Performance Goals, Program or Award Agreement, a Holder shall be eligible to receive payment pursuant to such Awards for a Performance Period only if and to the extent the Performance Goals for such applicable Performance Period are achieved.

5.6 Additional Limitations. Notwithstanding any other provision of the Plan and except as otherwise determined by the Administrator, any Award which is granted to an Eligible Individual and is intended to qualify as Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings issued thereunder that are requirements for qualification as Performance-Based Compensation, and the Plan, the Program and the Award Agreement shall be deemed amended to the extent necessary to conform to such requirements.

ARTICLE 6.

GRANTING OF OPTIONS

6.1 Granting of Options to Eligible Individuals. The Administrator is authorized to grant Options to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine which shall not be inconsistent with the Plan.

6.2 Qualification of Incentive Stock Options. No Incentive Stock Option shall be granted to any person who is not an Employee of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) of the Company. No person who qualifies as a

Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. Any Incentive Stock Option granted under the Plan may be modified by the Administrator, with the consent of the Holder, to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year under the Plan, and all other plans of the Company and any subsidiary or parent corporation thereof (each as defined in Section 424(f) and (e) of the Code, respectively), exceeds $100,000, the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the Fair Market Value of stock shall be determined as of the time the respective options were granted. In addition, to the extent that any Options otherwise fail to qualify as Incentive Stock Options, such Options shall be treated as Nonqualified Stock Options.

6.3 Option Exercise Price. Except as provided in Article 14 hereof, the exercise price per Share subject to each Option shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder, such price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code).

6.4 Option Term. The term of each Option (the "Option Term") shall be set by the Administrator in its sole discretion; provided, however, that the Option Term shall not be more than ten (10) years from the date the Option is granted, or five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Holder has the right to exercise the vested Options, which time period may not extend beyond the last day of the Option Term. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder, the Administrator may extend the Option Term of any outstanding Option, may extend the time period during which vested Options may be exercised following any Termination of Service of the Holder, and may amend any other term or condition of such Option relating to such a Termination of Service.

6.5 Option Vesting.

(a) The period during which the right to exercise, in whole or in part, an Option vests in the Holder shall be set by the Administrator and the Administrator may determine that an Option may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company or any Affiliate, any of the Performance Criteria, or any other criteria selected by the Administrator. At any time after the grant of an Option, the Administrator may, in its sole discretion and subject to whatever terms

and conditions it selects, accelerate the vesting of the Option, including following a Termination of Service; provided, that in no event shall an Option become exercisable following its expiration, termination or forfeiture.

(b) No portion of an Option which is unexercisable at a Holder's Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in the Program, the Award Agreement or by action of the Administrator following the grant of the Option.

6.6 Substitute Awards. Notwithstanding the foregoing provisions of this Article 6 to the contrary, in the case of an Option that is a Substitute Award, the price per share of the shares subject to such Option may be less than the Fair Market Value per share on the date of grant; provided that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate exercise price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Administrator) of the shares of the predecessor entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate exercise price of such shares.

6.7 Substitution of Stock Appreciation Rights. The Administrator may provide in the applicable Program or the Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price, vesting schedule and remaining Option Term as the substituted Option.

ARTICLE 7.

EXERCISE OF OPTIONS

7.1 Partial Exercise. An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Option, a partial exercise must be with respect to a minimum number of Shares.

7.2 Manner of 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, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) 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;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all Applicable Law. 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;

(c) In the event that the Option shall be exercised pursuant to Section 12.3 hereof by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option, as determined in the sole discretion of the Administrator; and

(d) Full payment of the exercise price and applicable withholding taxes to the stock administrator of the Company for the shares with respect to which the Option, or portion thereof, is exercised, in a manner permitted by Section 12.1 and 12.2 hereof.

7.3 Notification Regarding Disposition. The Holder shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two (2) years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) of such Option to such Holder, or (b) one (1) year after the transfer of such shares to such Holder.

ARTICLE 8.

AWARD OF RESTRICTED STOCK

8.1 Award of Restricted Stock.

(a) The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate.

(b) The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

8.2 Rights as Stockholders. Subject to Section 8.4 hereof, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said Shares, subject to the restrictions in the applicable Program or in each individual Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the Shares shall be subject to the restrictions set forth in Section 8.3 hereof.

8.3 Restrictions. All shares of Restricted Stock (including any shares received by Holders thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall, in the terms of the applicable Program or in each individual Award Agreement, be subject to such restrictions and vesting requirements as

the Administrator shall provide. Such restrictions may include, without limitation, restrictions concerning voting rights and transferability and such restrictions may lapse separately or in combination at such times and pursuant to such circumstances or based on such criteria as selected by the Administrator, including, without limitation, criteria based on the Holder's duration of employment, directorship or consultancy with the Company, the Performance Criteria, Company or Affiliate performance, individual performance or other criteria selected by the Administrator. By action taken after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of the Program and/or the Award Agreement. Restricted Stock may not be sold or encumbered until all restrictions are terminated or expire.

8.4 Repurchase or Forfeiture of Restricted Stock. Except as otherwise determined by the Administrator at the time of the grant of the Award or thereafter, if no price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Holder's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration. If a price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Company shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the Program or the Award Agreement. Notwithstanding the foregoing, the Administrator in its sole discretion may provide that in the event of certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service or any other event, the Holder's rights in unvested Restricted Stock shall not lapse, such Restricted Stock shall vest and, if applicable, the Company shall not have a right of repurchase.

8.5 Certificates for Restricted Stock. Restricted Stock granted pursuant to the Plan may be evidenced in such manner as the Administrator shall determine. Certificates or book entries evidencing shares of Restricted Stock must include an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock. The Company may, in it sole discretion, (a) retain physical possession of any stock certificate evidencing shares of Restricted Stock until the restrictions thereon shall have lapsed and/or (b) require that the stock certificates evidencing shares of Restricted Stock be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock power, endorsed in blank, relating to such Restricted Stock.

8.6 Section 83(b) Election. If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxable under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

ARTICLE 9.
AWARD OF RESTRICTED STOCK UNITS

9.1 Grant of Restricted Stock Units. The Administrator is authorized to grant Awards of Restricted Stock Units to any Eligible Individual selected by the Administrator in such amounts and subject to such terms and conditions as determined by the Administrator.

9.2 Term. Except as otherwise provided herein, the term of a Restricted Stock Unit award shall be set by the Administrator in its sole discretion.

9.3 Purchase Price. The Administrator shall specify the purchase price, if any, to be paid by the Holder to the Company with respect to any Restricted Stock Unit award; provided, however, that value of the consideration shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

9.4 Vesting of Restricted Stock Units. At the time of grant, the Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including, without limitation, vesting based upon the Holder's duration of service to the Company or any Affiliate, one or more Performance Criteria, Company performance, individual performance or other specific criteria, in each case on a specified date or dates or over any period or periods, as determined by the Administrator.

9.5 Maturity and Payment. At the time of grant, the Administrator shall specify the maturity date applicable to each grant of Restricted Stock Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Holder (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, set forth in any applicable Award Agreement, and subject to compliance with Section 409A of the Code, in no event shall the maturity date relating to each Restricted Stock Unit occur following the later of (a) the fifteenth (15th) day of the third (3rd) month following the end of calendar year in which the Restricted Stock Unit vests; or (b) the fifteenth (15th) day of the third (3rd) month following the end of the Company's fiscal year in which the Restricted Stock Unit vests. On the maturity date, the Company shall, subject to Section 12.4(e) hereof, transfer to the Holder one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or, in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such shares on the maturity date or a combination of cash and Common Stock as determined by the Administrator.

9.6 Payment upon Termination of Service. An Award of Restricted Stock Units shall only be payable while the Holder is an Employee, a Consultant or a member of the Board, as applicable; provided, however, that the Administrator, in its sole and absolute discretion may provide (in an Award Agreement or otherwise) that a Restricted Stock Unit award may be paid subsequent to a Termination of Service in certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service.

9.7 No Rights as a Stockholder. Unless otherwise determined by the Administrator, a Holder who is awarded Restricted Stock Units shall possess no incidents of ownership with respect to the Shares represented by such Restricted Stock Units, unless and until the same are transferred to the Holder pursuant to the terms of this Plan and the Award Agreement.

9.8 Dividend Equivalents. Subject to Section 10.2 hereof, the Administrator may, in its sole discretion, provide that Dividend Equivalents shall be earned by a Holder of Restricted Stock Units based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date an Award of Restricted Stock Units is granted to a Holder and the maturity date of such Award.

ARTICLE 10.

AWARD OF PERFORMANCE AWARDS, DIVIDEND EQUIVALENTS, STOCK PAYMENTS, DEFERRED STOCK, DEFERRED STOCK UNITS

10.1 Performance Awards.

(a) The Administrator is authorized to grant Performance Awards, including Awards of Performance Stock Units, to any Eligible Individual and to determine whether such Performance Awards shall be Performance-Based Compensation. The value of Performance Awards, including Performance Stock Units, may be linked to any one or more of the Performance Criteria or other specific criteria determined by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. Performance Awards, including Performance Stock Unit awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator.

(b) Without limiting Section 10.1(a) hereof, the Administrator may grant Performance Awards to any Eligible Individual in the form of a cash bonus payable upon the attainment of objective Performance Goals, or such other criteria, whether or not objective, which are established by the Administrator, in each case on a specified date or dates or over any period or periods determined by the Administrator. Any such bonuses paid to a Holder which are intended to be Performance-Based Compensation shall be based upon objectively determinable bonus formulas established in accordance with the provisions of Article 5 hereof.

10.2 Dividend Equivalents.

(a) Dividend Equivalents may be granted by the Administrator based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date an Award is granted to a Holder and the date such Award vests, is exercised, is distributed or expires, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Administrator.

(b) Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights.

10.3 Stock Payments. The Administrator is authorized to make Stock Payments to any Eligible Individual. The number or value of Shares of any Stock Payment shall be determined by the Administrator and may be based upon one or more Performance Criteria or any other specific criteria, including service to the Company or any Affiliate, determined by the Administrator. Shares underlying a Stock Payment which is subject to a vesting schedule or other conditions or criteria set by the Administrator will not be issued until those conditions have been satisfied. Unless otherwise provided by the Administrator, a Holder of a Stock

Payment shall have no rights as a Company stockholder with respect to such Stock Payment until such time as the Stock Payment has vested and the Shares underlying the Award have been issued to the Holder. Stock Payments may, but are not required to, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such Eligible Individual.

10.4 Deferred Stock. The Administrator is authorized to grant Deferred Stock to any Eligible Individual. The number of shares of Deferred Stock shall be determined by the Administrator and may (but is not required to) be based on one or more Performance Criteria or other specific criteria, including service to the Company or any Affiliate, as the Administrator determines, in each case on a specified date or dates or over any period or periods determined by the Administrator. Shares underlying a Deferred Stock award which is subject to a vesting schedule or other conditions or criteria set by the Administrator will be issued on the vesting date(s) or date(s) that those conditions and criteria have been satisfied, as applicable. Unless otherwise provided by the Administrator, a Holder of Deferred Stock shall have no rights as a Company stockholder with respect to such Deferred Stock until such time as the Award has vested and any other applicable conditions and/or criteria have been satisfied and the Shares underlying the Award have been issued to the Holder.

10.5 Deferred Stock Units. The Administrator is authorized to grant Deferred Stock Units to any Eligible Individual. The number of Deferred Stock Units shall be determined by the Administrator and may (but is not required to) be based on one or more Performance Criteria or other specific criteria, including service to the Company or any Affiliate, as the Administrator determines, in each case on a specified date or dates or over any period or periods determined by the Administrator. Each Deferred Stock Unit shall entitle the Holder thereof to receive one share of Common Stock on the date the Deferred Stock Unit becomes vested or upon a specified settlement date thereafter (which settlement date may (but is not required to) be the date of the Holder's Termination of Service). Shares underlying a Deferred Stock Unit award which is subject to a vesting schedule or other conditions or criteria set by the Administrator will not be issued until on or following the date that those conditions and criteria have been satisfied. Unless otherwise provided by the Administrator, a Holder of Deferred Stock Units shall have no rights as a Company stockholder with respect to such Deferred Stock Units until such time as the Award has vested and any other applicable conditions and/or criteria have been satisfied and the Shares underlying the Award have been issued to the Holder.

10.6 Term. The term of a Performance Award, Dividend Equivalent award, Stock Payment award, Deferred Stock award and/or Deferred Stock Unit award shall be set by the Administrator in its sole discretion.

10.7 Purchase Price. The Administrator may establish the purchase price of a Performance Award, Shares distributed as a Stock Payment award, shares of Deferred Stock or Shares distributed pursuant to a Deferred Stock Unit award; provided, however, that value of the consideration shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

10.8 Termination of Service. A Performance Award, Stock Payment award, Dividend Equivalent award, Deferred Stock award and/or Deferred Stock Unit award is

distributable only while the Holder is an Employee, Director or Consultant, as applicable. The Administrator, however, in its sole discretion may provide that the Performance Award, Dividend Equivalent award, Stock Payment award, Deferred Stock award and/or Deferred Stock Unit award may be distributed subsequent to a Termination of Service in certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service.

ARTICLE 11.

AWARD OF STOCK APPRECIATION RIGHTS

11.1 Grant of Stock Appreciation Rights.

(a) The Administrator is authorized to grant Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine consistent with the Plan.

(b) A Stock Appreciation Right shall entitle the Holder (or other person entitled to exercise the Stock Appreciation Right pursuant to the Plan) to exercise all or a specified portion of the Stock Appreciation Right (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per Share of the Stock Appreciation Right from the Fair Market Value on the date of exercise of the Stock Appreciation Right by the number of Shares with respect to which the Stock Appreciation Right shall have been exercised, subject to any limitations the Administrator may impose. Except as described in (c) below or in Section 14.2 hereof, the exercise price per Share subject to each Stock Appreciation Right shall be set by the Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value on the date the Stock Appreciation Right is granted.

(c) Notwithstanding the foregoing provisions of Section 11.1(b) hereof to the contrary, in the case of a Stock Appreciation Right that is a Substitute Award, the price per Share of the Shares subject to such Stock Appreciation Right may be less than one hundred percent (100%) of the Fair Market Value per share on the date of grant; provided that the excess of: (i) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (ii) the aggregate exercise price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Administrator) of the shares of the predecessor entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate exercise price of such shares.

11.2 Stock Appreciation Right Vesting.

(a) The period during which the right to exercise, in whole or in part, a Stock Appreciation Right vests in the Holder shall be set by the Administrator and the Administrator may determine that a Stock Appreciation Right may not be exercised in whole or in part for a specified period after it is granted. Such vesting may be based on service with the Company or any Affiliate, any of the Performance Criteria or any other criteria selected by the Administrator. At any time after grant of a Stock Appreciation Right, the Administrator may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which a Stock Appreciation Right vests.

(b) No portion of a Stock Appreciation Right which is unexercisable at Termination of Service shall thereafter become exercisable, except as may be otherwise provided by the Administrator either in the applicable Program or Award Agreement or by action of the Administrator following the grant of the Stock Appreciation Right, including following a Termination of Service; provided, that in no event shall a Stock Appreciation Right become exercisable following its expiration, termination or forfeiture.

11.3 Manner of Exercise. All or a portion of an exercisable Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the stock administrator of the Company, or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Stock Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Stock Appreciation Right or such portion of the Stock Appreciation Right;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act and any other federal, state or foreign securities laws or regulations. The Administrator may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance; and

(c) In the event that the Stock Appreciation Right shall be exercised pursuant to this Section 11.3 hereof by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Stock Appreciation Right.

11.4 Stock Appreciation Right Term. The term of each Stock Appreciation Right (the "Stock Appreciation Right Term") shall be set by the Administrator in its sole discretion; provided, however, that the term shall not be more than ten (10) years from the date the Stock Appreciation Right is granted. The Administrator shall determine the time period, including the time period following a Termination of Service, during which the Holder has the right to exercise the vested Stock Appreciation Rights, which time period may not extend beyond the expiration date of the Stock Appreciation Right Term. Except as limited by the requirements of Section 409A of the Code and regulations and rulings thereunder or the first sentence of this Section 11.4, the Administrator may extend the Stock Appreciation Right Term of any outstanding Stock Appreciation Right, may extend the time period during which vested Stock Appreciation Rights may be exercised following any Termination of Service of the Holder, and may amend any other term or condition of such Stock Appreciation Right relating to such a Termination of Service.

11.5 Payment. Payment of the amounts payable with respect to Stock Appreciation Rights pursuant to this Article 11 shall be in cash, Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

ARTICLE 12.

ADDITIONAL TERMS OF AWARDS

12.1 Payment. The Administrator shall determine the methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Holder has placed a market sell order with a broker with respect to Shares then issuable upon exercise or vesting of an Award, 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 payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale, or (d) other form of legal consideration acceptable to the Administrator. The Administrator shall also determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding any other provision of the Plan to the contrary, no Holder who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

12.2 Tax Withholding. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Holder to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Holder's FICA or employment tax obligation) required by law to be withheld with respect to any taxable event concerning a Holder arising as a result of the Plan. The Administrator may in its sole discretion and in satisfaction of the foregoing requirement allow a Holder to satisfy such obligations by any payment means described in Section 12.1 hereof, including without limitation, by allowing such Holder to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

12.3 Transferability of Awards.

(a) Except as otherwise provided in Sections 12.3(b) and 12.3(c) hereof:

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be liable for the debts, contracts or engagements of the Holder or the Holder's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to the satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by clause (i) of this provision; and

(iii) During the lifetime of the Holder, only the Holder may exercise an Award (or any portion thereof) granted to such Holder under the Plan, unless it has been disposed of pursuant to a DRO; after the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by the Holder's personal representative or by any person empowered to do so under the deceased Holder's will or under the then applicable laws of descent and distribution.

(b) Notwithstanding Section 12.3(a) hereof, the Administrator, in its sole discretion, may determine to permit a Holder or a Permitted Transferee of such Holder to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is to become a Non-Qualified Stock Option) to any one or more Permitted Transferees, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee (other than to another Permitted Transferee of the applicable Holder) other than by will or the laws of descent and distribution; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award); and (iii) the Holder (or transferring Permitted Transferee) and the Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under applicable federal, state and foreign securities laws and (C) evidence the transfer.

(c) Notwithstanding Section 12.3(a) hereof, a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Holder, except to the extent the Plan, the Program and the Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under

Applicable Law and resides in a community property state, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as his or her beneficiary with respect to more than fifty percent (50%) of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner, as applicable. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is filed with the Administrator prior to the Holder's death.

12.4 Conditions to Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Board or the Committee has determined, with advice of counsel, that the issuance of such shares is in compliance with all Applicable Law, and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Board or the Committee may require that a Holder make such reasonable covenants, agreements, and representations as the Board or the Committee, in its discretion, deems advisable in order to comply with Applicable Law.

(b) All Share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any Share certificate or book entry to reference restrictions applicable to the Shares.

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Law, the Company shall not deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

12.5 Forfeiture and Claw-Back Provisions. Pursuant to its general authority to determine the terms and conditions applicable to Awards under the Plan, the Administrator shall have the right to provide, in an Award Agreement or otherwise, or to require a Holder to agree by separate written or electronic instrument, that:

(a) (i) Any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of the Award, or upon the receipt or resale of any Shares underlying the Award, must be paid to the Company, and (ii) the Award shall terminate and any unexercised portion of the Award (whether or not vested) shall be forfeited, if (x) a Termination of Service occurs prior to a specified date, or within a specified time period following receipt or exercise of the Award, or (y) the Holder at any time, or during a specified time period, engages in any activity in competition with the Company, or which is inimical, contrary or harmful to the interests of the Company, as further defined by the Administrator or (z) the Holder incurs a Termination of Service for "cause" (as such term is defined in the sole discretion of the Administrator, or as set forth in a written agreement relating to such Award between the Company and the Holder); and

(b) All Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

12.6 Prohibition on Repricing. Subject to Section 14.2 hereof, the Administrator shall not, without the approval of the stockholders of the Company, (i) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per Share, or (ii) 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.

12.7 Leave of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence. A Holder shall not cease to be considered an Employee, Non-Employee Director or Consultant, as applicable, in the case of any (a) leave of absence approved by the Company, (b) transfer between locations of the Company or between the Company and any of its Affiliates or any successor thereof, or (c) change in status (Employee to Director, Employee to Consultant, etc.), provided that such change does not affect the specific terms applying to the Holder's Award.

ARTICLE 13.

ADMINISTRATION

13.1 Administrator. The Committee (or another committee or a subcommittee of the Board or the Compensation Committee of the Board assuming the functions of the Committee under the Plan) shall administer the Plan (except as otherwise permitted herein) and, unless otherwise determined by the Board, shall consist solely of two or more Non-Employee Directors appointed by and holding office at the pleasure of the Board, each of whom is intended to qualify as both a "non-employee director" as defined by Rule 16b-3 of the Exchange Act or any successor rule, an "outside director" for purposes of Section 162(m) of the Code and an "independent director" under the rules of any securities exchange or

automated quotation system on which the Shares are listed, quoted or traded; provided that any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 13.l or otherwise provided in any charter of the Committee. Except as may otherwise be provided in any charter of the Committee, appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written or electronic notice to the Board. Vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and, with respect to such Awards, the terms "Administrator" and "Committee" as used in the Plan shall be deemed to refer to the Board and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 13.6 hereof.

13.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan, the Program and the Award Agreement, and to adopt such rules for the administration, interpretation and application of the Plan as are not inconsistent therewith, to interpret, amend or revoke any such rules and to amend any Program or Award Agreement; provided that the rights or obligations of the Holder of the Award that is the subject of any such Program or Award Agreement are not affected materially and adversely by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Section 14.10 hereof. Any such grant or award under the Plan need not be the same with respect to each Holder. Any such interpretations and rules with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or Section 162(m) of the Code, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

13.3 Action by the Committee. Unless otherwise established by the Board or in any charter of the Committee, a majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

13.4 Authority of Administrator. Subject to the Company's Bylaws, the Committee's Charter and any specific designation in the Plan, the Administrator has the exclusive power, authority and sole discretion to:

(a) Designate Eligible Individuals to receive Awards;

(b) Determine the type or types of Awards to be granted to each Eligible Individual;

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any performance criteria, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement;

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan; and

(k) Accelerate wholly or partially the vesting or lapse of restrictions of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Sections 3.4 and 14.2(d) hereof.

13.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program, any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

13.6 Delegation of Authority. To the extent permitted by Applicable Law, the Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to Article 13; provided, however, that in no event shall an officer of the Company be delegated the authority to grant awards to, or amend awards

held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, (b) Covered Employees, or (c) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under Section 162(m) of the Code and Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 13.6 hereof shall serve in such capacity at the pleasure of the Board and the Committee.

ARTICLE 14.

MISCELLANEOUS PROVISIONS

14.1 Amendment, Suspension or Termination of the Plan. Except as otherwise provided in this Section 14.1, the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board or the Committee. However, without approval of the Company's stockholders given within twelve (12) months before or after the action by the Administrator, no action of the Administrator may, except as provided in Section 14.2 hereof, (a) increase the limits imposed in Section 3.1 hereof on the maximum number of shares which may be issued under the Plan, or (b) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan, or (c) 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. Except as provided in Section 14.10 hereof, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, materially and adversely affect any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides. No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and in no event may any Award be granted under the Plan after the tenth (10^{th}) anniversary of the Effective Date.

14.2 Changes in Common Stock or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Administrator may make equitable adjustments, if any, to reflect such change with respect to (i) 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 3.1 hereof on the maximum number and kind of shares which may be issued under the Plan); (ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards; (iii) the number and kind of shares of Common Stock (or other securities or property) for which grants are subsequently to be made to new and continuing Non-Employee Directors pursuant to Section 4.6 hereof; (iv) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (v) the grant or exercise price per share for any outstanding Awards under the Plan. Any adjustment affecting an Award intended as Performance-Based Compensation shall be made consistent with the requirements of Section 162(m) of the Code.

(b) In the event of any transaction or event described in Section 14.2(a) hereof or any unusual or nonrecurring transactions or events affecting the Company, any Affiliate of the Company, or the financial statements of the Company or any Affiliate, or of changes in Applicable Law, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award 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 to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(i) To provide for either (A) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 14.2 the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment) or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion having an aggregate value not exceeding the amount that could have been attained upon the exercise of such Award or realization of the Holder's rights had such Award been currently exercisable or payable or fully vested;

(ii) To provide that such Award 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;

(iii) To make adjustments in the number and type of shares of the Company's stock (or other securities or property) subject to outstanding Awards, and in the number and kind of outstanding Restricted Stock or Deferred Stock and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Program or Award Agreement; and

(v) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 14.2(a) and 14.2(b) hereof:

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted; and/or

(ii) The Administrator shall make such equitable 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 3.1 hereof on the maximum number and kind of shares which may be issued under the Plan).

The adjustments provided under this Section 14.2(c) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company.

(d) Change in Control.

(i) Notwithstanding any other provision of the Plan, in the event of a Change in Control, each outstanding Award shall be assumed or an equivalent Award substituted by the successor corporation or a parent or subsidiary of the successor corporation, in each case, as determined by the Administrator.

(ii) In the event that the successor corporation in a Change in Control and its parents and subsidiaries refuse to assume or substitute for any Award in accordance with Section 14.2(d)(i) hereof, each such non-assumed/substituted Award, except for any Performance Awards, shall become fully vested and, as applicable, exercisable and shall be deemed exercised, immediately prior to the consummation of such transaction, and all forfeiture restrictions on any or all such Awards shall lapse at such time. For the avoidance of doubt, the vesting of any Performance Awards not assumed in a Change in Control will not be automatically accelerated pursuant to this Section 14.2(d)(ii) and will instead vest pursuant to the terms and conditions of the applicable Award Agreement upon a Change in Control where the successor corporation and its parents and subsidiaries refuse to assume or substitute for any Award in accordance with Section 14.2(d)(i) hereof. If an Award vests and, as applicable, is exercised in lieu of assumption or substitution in connection with a Change in Control, the Administrator shall notify the Holder of such vesting and any applicable exercise period, and the Award shall terminate upon the Change in Control. For the avoidance of doubt, if the value of an Award that is terminated in connection with this Section 14.2(d)(ii) is zero or negative at the time of such Change in Control, such Award shall be terminated upon the Change in Control without payment of consideration therefor.

(iii) Notwithstanding anything to the contrary, in the event that, within the twelve (12) month period immediately following a Change in Control, a Holder experiences a Termination of Service by the Company for other than Cause or by a Holder for Good Reason, then the vesting and, if applicable, exercisability of that number of Shares equal to one hundred percent (100%) of the then-unvested Shares subject to the outstanding Awards held by such Holder shall accelerate upon the date of such Termination of Service.

(e) The Administrator may, in its sole discretion, include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(f) With respect to Awards which are granted to Covered Employees and are intended to qualify as Performance-Based Compensation, no adjustment or action described in this Section 14.2 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause such Award to fail to so qualify as Performance-Based Compensation, unless the Administrator determines that the Award should not so qualify. No adjustment or action described in this Section 14.2 or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to violate Section 422(b)(1) of the Code. Furthermore, no such adjustment or action shall be authorized to the extent such adjustment or action would result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act unless the Administrator determines that the Award is not to comply with such exemptive conditions.

(g) The existence of the Plan, the Program, the Award Agreement and the Awards 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.

(h) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Common Stock including any Equity Restructuring, for reasons of administrative convenience, the Company in its sole discretion may refuse to permit the exercise of any Award during a period of thirty (30) days prior to the consummation of any such transaction.

14.3 Approval of Plan by Stockholders. 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. Awards may be granted or awarded prior to such stockholder approval; provided that such Awards shall not be exercisable, shall not vest and the restrictions thereon shall not lapse and no Shares shall be issued pursuant thereto 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 (12) month period, all Awards previously granted or awarded under the Plan shall thereupon be canceled and become null and void.

14.4 No Stockholders Rights. Except as otherwise provided herein, a Holder shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

14.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

14.6 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Affiliate. Nothing in the Plan shall be construed to limit the right of the Company or any Affiliate: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Affiliate, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

14.7 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law, and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such Applicable Law.

14.8 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

14.9 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

14.10 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A of the Code, the Program pursuant to which such Award is granted and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan, the Program and any Award Agreements shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Administrator may adopt such amendments to the Plan and the applicable Program and Award 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 Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.

14.11 No Rights to Awards. No Eligible Individual or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly.

14.12 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company or any Affiliate.

14.13 Indemnification. To the extent allowable pursuant to Applicable Law, each member of the Committee or of the Board and any officer or other employee to whom authority to administer any component of the Plan is delegated shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

14.14 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

14.15 Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

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COHERUS BIOSCIENCES, INC.
2014 EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I.
PURPOSE, SCOPE AND ADMINISTRATION OF THE PLAN

1.1 Purpose and Scope. The purpose of the Coherus BioSciences, Inc. 2014 Employee Stock Purchase Plan, as it may be amended from time to time, (the "Plan") is to assist employees of Coherus BioSciences, Inc., a Delaware corporation, (the "Company") and its Designated Subsidiaries in acquiring a stock ownership interest in the Company pursuant to a plan which is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code and to help such employees provide for their future security and to encourage them to remain in the employment of the Company and its Subsidiaries.

ARTICLE II.
DEFINITIONS

Whenever the following terms are used in the Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary. The singular pronoun shall include the plural where the context so indicates.

2.1 "Agent" means the brokerage firm, bank or other financial institution, entity or person(s), if any, engaged, retained, appointed or authorized to act as the agent of the Company or an Employee with regard to the Plan.

2.2 "Administrator" shall mean the Committee, or such individuals to which authority to administer the Plan has been delegated under Section 7.1 hereof.

2.3 "Board" shall mean the Board of Directors of the Company.

2.4 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.5 "Committee" shall mean the Compensation Committee of the Board.

2.6 "Common Stock" shall mean the common stock of the Company.

2.7 "Company" shall have such meaning as set forth in Section 1.1 hereof.

2.8 "Compensation" of an Employee shall mean the regular straight-time earnings or base salary, bonuses and commissions paid to the Employee from the Company on each Payday as compensation for services to the Company or any Designated Subsidiary, before deduction for any salary deferral contributions made by the Employee to any tax-qualified or nonqualified deferred compensation plan, including overtime, shift differentials, vacation pay, salaried production schedule premiums, holiday pay, jury duty pay, funeral leave pay, paid time off, military pay, prior week adjustments and weekly bonus, but excluding education or tuition reimbursements, imputed income arising under any group insurance or benefit program, travel

expenses, business and moving reimbursements, income received in connection with any stock options, restricted stock, restricted stock units or other compensatory equity awards and all contributions made by the Company or any Designated Subsidiary for the Employee's benefit under any employee benefit plan now or hereafter established. Such Compensation shall be calculated before deduction of any income or employment tax withholdings, but shall be withheld from the Employee's net income.

2.9 "Designated Subsidiary" shall mean each Subsidiary that have been designated by the Board or Committee from time to time in its sole discretion as eligible to participate in the Plan, including any Subsidiary in existence on the Effective Date and any Subsidiary formed or acquired following the Effective Date, in accordance with Section 7.2 hereof.

2.10 "Effective Date" shall mean the date immediately preceding the date the Company's registration statement relating to its initial public offering becomes effective, *provided* that the Board has adopted and the Company's stockholders have approved the Plan prior to or on such date.

2.11 "Eligible Employee" shall mean an Employee who (a) is customarily scheduled to work at least twenty (20) hours per week, (b) whose customary employment is more than five (5) months in a calendar year and (c) after the granting of the Option would not be deemed for purposes of Section 423(b)(3) of the Code to possess five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Subsidiary. For purposes of clause (c), the rules of Section 424(d) of the Code with regard to the attribution of stock ownership shall apply in determining the stock ownership of an individual, and stock which an Employee may purchase under outstanding options shall be treated as stock owned by the Employee. Notwithstanding the foregoing, the Administrator may exclude from participation in the Plan as an Eligible Employee (x) any Employee that is a "highly compensated employee" of the Company or any Designated Subsidiary (within the meaning of Section 414(q) of the Code), or that is such a "highly compensated employee" (A) with compensation above a specified level, (B) who is an officer and/or (C) is subject to the disclosure requirements of Section 16(a) of the Exchange Act and/or (y) any Employee who is a citizen or resident of a foreign jurisdiction (without regard to whether they are also a citizen of the United States or a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) if either (i) the grant of the Option is prohibited under the laws of the jurisdiction governing such Employee, or (ii) compliance with the laws of the foreign jurisdiction would cause the Plan or the Option to violate the requirements of Section 423 of the Code; *provided* that any exclusion in clauses (x), and/or (y) shall be applied in an identical manner under each Offering Period to all Employees of the Company and all Designated Subsidiaries, in accordance with Treasury Regulation Section 1.423-2(e).

2.12 "Employee" shall mean any person who renders services to the Company or a Designated Subsidiary in the status of an employee within the meaning of Section 3401(c) of the Code. "Employee" shall not include any director of the Company or a Designated Subsidiary who does not render services to the Company or a Designated Subsidiary in the status of an employee within the meaning of Section 3401(c) of the Code. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on military

leave, sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months, or such other period specified in Treasury Regulation Section 1.421-1(h)(2), and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period, or such other period specified in Treasury Regulation Section 1.421-1(h)(2).

2.13 "Enrollment Date" shall mean the first date of each Offering Period.

2.14 "Exercise Date" shall mean the last Trading Day of each Offering Period, except as provided in Section 5.2 hereof.

2.15 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

2.16 "Fair Market Value" shall mean, as of any date, the value of Common Stock determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed, quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a share of Common Stock as quoted on such exchange or system for such date or, if there is no closing sales price for a share of Common Stock on the date in question, the closing sales price for a share of Stock on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a share of Common Stock on such date, the high bid and low asked prices for a share of Common Stock on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

2.17 "Grant Date" shall mean the first Trading Day of an Offering Period.

2.18 "New Exercise Date" shall have such meaning as set forth in Section 5.2(b) hereof.

2.19 "Offering Period" shall mean such period of time commencing on such date(s) as determined by the Board or Committee, in its sole discretion, and with respect to which Options shall be granted to Participants. The duration and timing of Offering Periods may

be established or changed by the Board or Committee at any time, in its sole discretion. Notwithstanding the foregoing, in no event may an Offering Period exceed twenty-seven (27) months.

2.20 "Option" shall mean the right to purchase shares of Common Stock pursuant to the Plan during each Offering Period.

2.21 "Option Price" shall mean the purchase price of a share of Common Stock hereunder as provided in Section 4.2 hereof.

2.22 "Parent" means any entity that is a parent corporation of the Company within the meaning of Section 424 of the Code and the Treasury Regulations thereunder.

2.23 "Participant" shall mean any Eligible Employee who elects to participate in the Plan.

2.24 "Payday" shall mean the regular and recurring established day for payment of Compensation to an Employee of the Company or any Designated Subsidiary.

2.25 "Plan" shall have such meaning as set forth in Section 1.1 hereof.

2.26 "Plan Account" shall mean a bookkeeping account established and maintained by the Company in the name of each Participant.

2.27 "Section 423 Option" shall have such meaning as set forth in Section 3.1(b) hereof.

2.28 "Subsidiary" shall mean any entity that is a subsidiary corporation of the Company within the meaning of Section 424 of the Code and the Treasury Regulations thereunder. In addition, with respect to any sub-plans adopted under Section 7.1(d) hereof which are designed to be outside the scope of Section 423 of the Code, Subsidiary shall include any corporate or noncorporate entity in which the Company has a direct or indirect equity interest or significant business relationship.

2.29 "Trading Day" shall mean a day on which the principal securities exchange on which the Common Stock is listed is open for trading or, if the Common Stock is not listed on a securities exchange, shall mean a business day, as determined by the Administrator in good faith.

2.30 "Withdrawal Election" shall have such meaning as set forth in Section 6.1(a) hereof.

ARTICLE III.
PARTICIPATION

3.1 Eligibility.

(a) Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of Articles IV and V hereof, and the limitations imposed by Section 423(b) of the Code and the Treasury Regulations thereunder.

(b) No Eligible Employee shall be granted an Option under the Plan which permits the Participant's rights to purchase shares of Common Stock under the Plan, and to purchase stock under all other employee stock purchase plans of the Company, any Parent or any Subsidiary subject to the Section 423 of the Code (any such Option or other option, a "Section 423 Option"), to accrue at a rate which exceeds $25,000 of fair market value of such stock (determined at the time the Section 423 Option is granted) for each calendar year in which any Section 423 Option granted to the Participant is outstanding at any time. For purposes of the limitation imposed by this subsection,

(i) the right to purchase stock under a Section 423 Option accrues when the Section 423 Option (or any portion thereof) first becomes exercisable during the calendar year,

(ii) the right to purchase stock under a Section 423 Option accrues at the rate provided in the Section 423 Option, but in no case may such rate exceed $25,000 of fair market value of such stock (determined at the time such option is granted) for any one calendar year, and

(iii) a right to purchase stock which has accrued under a Section 423 Option may not be carried over to any other Section 423 Option; *provided* that Participants may carry forward amounts so accrued that represent a fractional share of stock and were withheld but not applied towards the purchase of Common Stock under an earlier Offering Period, and may apply such amounts towards the purchase of additional shares of Common Stock under a subsequent Offering Period.

The limitation under this Section 3.1(b) shall be applied in accordance with Section 423(b)(8) of the Code and the Treasury Regulations thereunder.

3.2 Election to Participate; Payroll Deductions

(a) Except as provided in Section 3.3 hereof, an Eligible Employee may become a Participant in the Plan only by means of payroll deduction. Each individual who is an Eligible Employee as of an Offering Period's Enrollment Date may elect to participate in such Offering Period and the Plan by delivering to the Company a payroll deduction authorization no later such period of time prior to the applicable Enrollment Date as determined by the Administrator, in its sole discretion.

(b) Subject to Section 3.1(b) hereof, payroll deductions (i) shall be equal to at least one percent (1%) of the Participant's Compensation as of each Payday of the Offering Period following the Enrollment Date, but not more than the lesser of fifteen percent (15%) of the Participant's Compensation as of each Payday of the Offering Period following the Enrollment Date or $25,000 per Offering Period; and (ii) may be expressed either as (A) a whole

number percentage, or (B) a fixed dollar amount. Amounts deducted from a Participant's Compensation with respect to an Offering Period pursuant to this Section 3.2 shall be deducted each Payday through payroll deduction and credited to the Participant's Plan Account.

(c) Following at least one (1) payroll deduction, a Participant may decrease (to as low as zero) the amount deducted from such Participant's Compensation only once during an Offering Period upon ten (10) calendar days' prior written notice to the Company. A Participant may not increase the amount deducted from such Participant's Compensation during an Offering Period.

(d) Notwithstanding the foregoing, upon the termination of an Offering Period, each Participant in such Offering Period shall automatically participate in the immediately following Offering Period at the same payroll deduction percentage or fixed amount as in effect at the termination of the prior Offering Period, unless such Participant delivers to the Company a different election with respect to the successive Offering Period in accordance with Section 3.1(a) hereof, or unless such Participant becomes ineligible for participation in the Plan.

3.3 Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, a Participant may continue participation in the Plan by making cash payments to the Company on his or her normal payday equal to his or her authorized payroll deduction.

ARTICLE IV.
PURCHASE OF SHARES

4.1 Grant of Option. Each Participant shall be granted an Option with respect to an Offering Period on the applicable Grant Date. Subject to the limitations of Section 3.1(b) hereof, the number of shares of Common Stock subject to a Participant's Option shall be determined by dividing (a) such Participant's payroll deductions accumulated prior to such Exercise Date and retained in the Participant's Plan Account on such Exercise Date by (b) the applicable Option Price; *provided* that in no event shall a Participant be permitted to purchase during each Offering Period more than 5,000 shares of Common Stock (subject to any adjustment pursuant to Section 5.2 hereof). The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that a Participant may purchase during such future Offering Periods. Each Option shall expire on the Exercise Date for the applicable Offering Period immediately after the automatic exercise of the Option in accordance with Section 4.3 hereof, unless such Option terminates earlier in accordance with Article 6 hereof.

4.2 Option Price. The "Option Price" per share of Common Stock to be paid by a Participant upon exercise of the Participant's Option on the applicable Exercise Date for an Offering Period shall be equal to eighty five percent (85%) of the lesser of the Fair Market Value of a share of Common Stock on (a) the applicable Grant Date and (b) the applicable Exercise Date; *provided* that in no event shall the Option Price per share of Common Stock be less than the par value per share of the Common Stock.

4.3 Purchase of Shares.

(a) On the applicable Exercise Date for an Offering Period, each Participant shall automatically and without any action on such Participant's part be deemed to have exercised his or her Option to purchase at the applicable per share Option Price the largest number of whole shares of Common Stock which can be purchased with the amount in the Participant's Plan Account. Any balance less than the per share Option Price that is remaining in the Participant's Plan Account (after exercise of such Participant's Option) as of the Exercise Date shall be carried forward to the next Offering Period, unless the Participant has elected to withdraw from the Plan pursuant to Section 6.1 hereof or, pursuant to Section 6.2 hereof, such Participant has ceased to be an Eligible Employee. Any balance not carried forward to the next Offering Period in accordance with the prior sentence promptly shall be refunded to the applicable Participant. For the avoidance of doubt, in no event shall an amount greater than or equal to the per share Option Price as of an Exercise Date be carried forward to the next Offering Period.

(b) As soon as practicable following the applicable Exercise Date, the number of shares of Common Stock purchased by such Participant pursuant to Section 4.3(a) hereof shall be delivered (either in share certificate or book entry form), in the Company's sole discretion, to either (i) the Participant or (ii) an account established in the Participant's name at a stock brokerage or other financial services firm designated by the Company. If the Company is required to obtain from any commission or agency authority to issue any such shares of Common Stock, the Company shall seek to obtain such authority. Inability of the Company to obtain from any such commission or agency authority which counsel for the Company deems necessary for the lawful issuance of any such shares shall relieve the Company from liability to any Participant except to refund to the Participant such Participant's Plan Account balance, without interest thereon.

4.4 Transferability of Rights.

(a) An Option granted under the Plan shall not be transferable, other than by will or the applicable laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. No option or interest or right to the Option shall be available to pay off any debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempt at disposition of the option shall have no effect.

ARTICLE V.
PROVISIONS RELATING TO COMMON STOCK

5.1 Common Stock Reserved. Subject to adjustment as provided in Section 5.2 hereof, the maximum number of shares of Common Stock that shall be made available for sale under the Plan shall be the sum of (a) 320,000 shares of Common Stock and (b) an annual increase on the first day of each year beginning in 2015 and ending in 2024, in each case subject to the approval of the Administrator on or prior to the applicable date, equal to the lesser of (i)

one percent (1%) 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 the Board; provided, however, no more than 3,520,000 shares of Common Stock may be issued under the Plan. Shares of Common Stock made available for sale under the Plan may be authorized but unissued shares, treasury shares of Common Stock, or reacquired shares reserved for issuance under the Plan.

5.2 Adjustments Upon Changes in Capitalization, Dissolution, Liquidation, Merger or Asset Sale.

(a) Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of shares of Common Stock which have been authorized for issuance under the Plan but not yet placed under Option, as well as the price per share and the number of shares of Common Stock covered by each Option under the Plan which has not yet been exercised shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination 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 the Company; *provided*, *however*, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Offering Period then in progress shall be shortened by setting a new Exercise Date (the "New Exercise Date"), and shall terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date shall be before the date of the Company's proposed dissolution or liquidation. The Administrator shall notify each Participant in writing, at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option shall be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 6.1 hereof.

(c) Merger or Asset Sale. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, each outstanding Option shall be assumed or an equivalent Option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option, any Offering Periods then in progress shall be shortened by setting a New Exercise Date and any Offering Periods then in progress shall end on the New Exercise Date. The New Exercise Date shall be before the date of the Company's proposed sale or merger. The Administrator shall notify each Participant in writing, at least ten (10) business days prior to the New Exercise Date, that the Exercise Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option shall be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 6.1 hereof.

5.3 Insufficient Shares. If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which Options are to be exercised may exceed the number of shares of Common Stock remaining available for sale under the Plan on such Exercise Date, the Administrator shall make a pro rata allocation of the shares of Common Stock available for issuance on such Exercise Date in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants exercising Options to purchase Common Stock on such Exercise Date, and unless additional shares are authorized for issuance under the Plan, no further Offering Periods shall take place and the Plan shall terminate pursuant to Section 7.5 hereof. If an Offering Period is so terminated, then the balance of the amount credited to the Participant's Plan Account which has not been applied to the purchase of shares of Common Stock shall be paid to such Participant in one lump sum in cash within thirty (30) days after such Exercise Date, without any interest thereon.

5.4 Rights as Stockholders. With respect to shares of Common Stock subject to an Option, a Participant shall not be deemed to be a stockholder of the Company and shall not have any of the rights or privileges of a stockholder. A Participant shall have the rights and privileges of a stockholder of the Company when, but not until, shares of Common Stock have been deposited in the designated brokerage account following exercise of his or her Option.

ARTICLE VI.
TERMINATION OF PARTICIPATION

6.1 Cessation of Contributions; Voluntary Withdrawal.

(a) A Participant may cease payroll deductions during an Offering Period and elect to withdraw from the Plan by delivering written notice of such election to the Company in such form and at such time prior to the Exercise Date for such Offering Period as may be established by the Administrator (a "Withdrawal Election"). A Participant electing to withdraw from the Plan may elect to either (i) withdraw all of the funds then credited to the Participant's Plan Account as of the date on which the Withdrawal Election is received by the Company, in which case amounts credited to such Plan Account shall be returned to the Participant in one (1) lump-sum payment in cash within thirty (30) days after such election is received by the Company, without any interest thereon, and the Participant shall cease to participate in the Plan and the Participant's Option for such Offering Period shall terminate; or (ii) exercise the Option for the maximum number of whole shares of Common Stock on the applicable Exercise Date with any remaining Plan Account balance returned to the Participant in one (1) lump-sum payment in cash within thirty (30) days after such Exercise Date, without any interest thereon, and after such exercise cease to participate in the Plan. Upon receipt of a Withdrawal Election, the Participant's payroll deduction authorization and his or her Option to purchase under the Plan shall terminate.

(b) A participant's withdrawal from the Plan shall not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods which commence after the termination of the Offering Period from which the Participant withdraws.

(c) A Participant who ceases contributions to the Plan during any Offering Period shall not be permitted to resume contributions to the Plan during that Offering Period.

6.2 Termination of Eligibility. Upon a Participant's ceasing to be an Eligible Employee, for any reason, such Participant's Option for the applicable Offering Period shall automatically terminate, he or she shall be deemed to have elected to withdraw from the Plan, and such Participant's Plan Account shall be paid to such Participant or, in the case of his or her death, to the person or persons entitled thereto pursuant to applicable law, within thirty (30) days after such cessation of being an Eligible Employee, without any interest thereon.

ARTICLE VII.
GENERAL PROVISIONS

7.1 Administration.

(a) The Plan shall be administered by the Committee, which shall be composed of members of the Board. The Committee may delegate administrative tasks under the Plan to the services of an Agent and/or Employees to assist in the administration of the Plan, including establishing and maintaining an individual securities account under the Plan for each Participant.

(b) It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with the provisions of the Plan. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To establish Offering Periods;

(ii) To determine when and how Options shall be granted and the provisions and terms of each Offering Period (which need not be identical);

(iii) To select Designated Subsidiaries in accordance with Section 7.2 hereof; and

(iv) To construe and interpret the Plan, the terms of any Offering Period and the terms of the Options and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, any Offering Period or any Option, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effect, subject to Section 423 of the Code and the Treasury Regulations thereunder.

(c) The Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws

and procedures. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding handling of participation elections, payroll deductions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates which vary with local requirements. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Administrator under the Plan.

(d) The Administrator may adopt sub-plans applicable to particular Designated Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 5.1 hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

(e) All expenses and liabilities incurred by the Administrator in connection with the administration of the Plan shall be borne by the Company. The Administrator may, with the approval of the Committee, employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Administrator, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Board or Administrator shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the options, and all members of the Board or Administrator shall be fully protected by the Company in respect to any such action, determination, or interpretation.

7.2 Designation of Subsidiary Corporations. The Board or Committee shall designate from among the Subsidiaries, as determined from time to time, the Subsidiary or Subsidiaries that shall constitute Designated Subsidiaries. The Board or Committee may designate a Subsidiary, or terminate the designation of a Subsidiary, without the approval of the stockholders of the Company.

7.3 Reports. Individual accounts shall be maintained for each Participant in the Plan. Statements of Plan Accounts shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Option Price, the number of shares purchased and the remaining cash balance, if any.

7.4 No Right to Employment. Nothing in the Plan shall be construed to give any person (including any Participant) the right to remain in the employ of the Company, a Parent or a Subsidiary or to affect the right of the Company, any Parent or any Subsidiary to terminate the employment of any person (including any Participant) at any time, with or without cause, which right is expressly reserved.

7.5 Amendment and Termination of the Plan.

(a) The Board may, in its sole discretion, amend, suspend or terminate the Plan at any time and from time to time; *provided*, *however*, that without approval of the

Company's stockholders given within twelve (12) months before or after action by the Board, the Plan may not be amended to increase the maximum number of shares of Common Stock subject to the Plan or change the designation or class of Eligible Employees; and *provided*, *further* that without approval of the Company's stockholders, the Plan may not be amended in any manner that would cause the Plan to no longer be an "employee stock purchase plan" within the meaning of Section 423(b) of the Code.

(b) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, to the extent permitted under Section 423 of the Code, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) altering the Option Price for any Offering Period including an Offering Period underway at the time of the change in Option Price;

(ii) shortening any Offering Period so that the Offering Period ends on a new Exercise Date, including an Offering Period underway at the time of the Administrator action; and

(iii) allocating shares of Common Stock.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

(c) Upon termination of the Plan, the balance in each Participant's Plan Account shall be refunded as soon as practicable after such termination, without any interest thereon.

7.6 Use of Funds; No Interest Paid. All funds received by the Company by reason of purchase of Common Stock under the Plan shall be included in the general funds of the Company free of any trust or other restriction and may be used for any corporate purpose. No interest shall be paid to any Participant or credited under the Plan.

7.7 Term; Approval by Stockholders. No Option may be granted during any period of suspension of the Plan or after termination of the Plan. The Plan shall 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 may be granted prior to such stockholder approval; *provided*, *however*, that such Options shall not be exercisable prior to the time when the Plan is approved by the stockholders; *provided*, *further* that if such approval has not been obtained by the end of said twelve (12)-month period, all Options previously granted under the Plan shall thereupon terminate and be canceled and become null and void without being exercised.

7.8 Effect Upon Other Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company, any Parent or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company, any Parent or any Subsidiary (a) to establish any other forms of incentives or compensation for Employees of the Company or any Parent or any Subsidiary, or (b) to grant or assume Options otherwise than

under the Plan in connection with any proper corporate purpose, including, but not by way of limitation, the grant or assumption of options in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, firm or association.

7.9 Conformity to Securities Laws. Notwithstanding any other provision of the Plan, the Plan and the participation in the Plan by any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemption rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

7.10 Notice of Disposition of Shares. Each Participant shall give the Company prompt notice of any disposition or other transfer of any shares of Common Stock, acquired pursuant to the exercise of an Option, if such disposition or transfer is made (a) within two (2) years after the applicable Grant Date or (b) within one (1) year after the transfer of such shares of Common Stock to such Participant upon exercise of such Option. The Company may direct that any certificates evidencing shares acquired pursuant to the Plan refer to such requirement.

7.11 Tax Withholding. The Company or any Parent or any Subsidiary shall be entitled to require payment in cash or deduction from other compensation payable to each Participant of any sums required by federal, state or local tax law to be withheld with respect to any purchase of shares of Common Stock under the Plan or any sale of such shares.

7.12 Governing Law. The Plan and all rights and obligations thereunder shall be construed and enforced in accordance with the laws of the State of Delaware.

7.13 Notices. All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

7.14 Conditions To Issuance of Shares.

(a) Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing shares of Common Stock pursuant to the exercise of an Option by a Participant, unless and until the Board or the Committee has determined, with advice of counsel, that the issuance of such shares of Common Stock is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any securities exchange or automated quotation system on which the shares of Common Stock are listed or traded, and the shares of Common Stock are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Board or the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Board or the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements.

(b) All certificates for shares of Common Stock delivered pursuant to the Plan and all shares of Common Stock issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal, state, or foreign securities or other laws, rules and regulations and the rules of any securities exchange or automated quotation system on which the shares of Common Stock are listed, quoted, or traded. The Committee may place legends on any certificate or book entry evidencing shares of Common Stock to reference restrictions applicable to the shares of Common Stock.

(c) The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Option, including a window-period limitation, as may be imposed in the sole discretion of the Committee.

(d) Notwithstanding any other provision of the Plan, unless otherwise determined by the Committee or required by any applicable law, rule or regulation, the Company may, in lieu of delivering to any Participant certificates evidencing shares of Common Stock issued in connection with any Option, record the issuance of shares of Common Stock in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

7.15 Equal Rights and Privileges. Except with respect to sub-plans designed to be outside the scope of Section 423 of the Code, all Eligible Employees of the Company (or of any Designated Subsidiary) shall have equal rights and privileges under this Plan to the extent required under Section 423 of the Code or the regulations promulgated thereunder so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code or the Treasury Regulations thereunder. Any provision of this Plan that is inconsistent with Section 423 of the Code or the Treasury Regulations thereunder shall, without further act or amendment by the Company or the Board, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code or the Treasury Regulations thereunder.

* * * * * *

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of , 2014 by and between Coherus BioSciences, Inc., a Delaware corporation (the "Company"), and ("Indemnitee").

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws (the "Bylaws") and the Certificate of Incorporation of the Company (the "Certificate of Incorporation") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Bylaws, the Certificate of Incorporation and the DGCL expressly provide that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws, the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the Bylaws, the Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he or she be so indemnified; and

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the Bylaws and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A “Change in Control” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities unless the change in relative Beneficial Ownership of the Company’s securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty-one percent (51%) of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the

Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was a director, trustee, partner, managing member, officer, employee, agent or fiduciary of the Company or of any other corporation, limited liability company, partnership or joint venture, trust or other enterprise which such person is or was serving at the request of the Company.

(d) "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

(f) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements, obligations or expenses of the types customarily incurred in connection with, or as a result of, prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent, and (ii) expenses incurred in connection with recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether the Indemnitee is ultimately determined to be entitled to such indemnification, advancement or Expenses or insurance recovery, as the case may be, and (iii) for purposes of Section 14(d) only, Expenses incurred by or on behalf of Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) “Independent Counsel” shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term “Proceeding” shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or her (or a failure to take action by him or her) or of any action (or failure to act) on his or her part while acting pursuant to his or her Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the

right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that his or her conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent

that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise asked to participate in any aspect of a Proceeding to which Indemnitee is not a party, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4 or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by or on behalf of Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the

Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such payment arises in connection with any mandatory counterclaim or cross-claim or affirmative defense brought or raised by Indemnitee in any Proceeding (or any part of any Proceeding), or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time (which shall include invoices received by the Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be so included), whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof or Indemnitee's becoming aware thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding, in each case

to the extent known to Indemnitee. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement, except to the extent (solely with respect to the indemnity hereunder) that such failure or delay materially prejudices the Company. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

(c) The Company shall not settle any Proceeding (in whole or in part) if such settlement would impose any Expense, judgment, liability, fine, penalty or limitation on Indemnitee which Indemnitee is not entitled to be indemnified hereunder without the Indemnitee's prior written consent.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by or on behalf of Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) If the Company disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have

the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the

advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. Whether or not the foregoing provisions of this Section 13(d) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred eighty(180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by or on behalf of Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors or otherwise, and (ii) shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than

would be afforded currently under the Bylaws, the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees or agents of the Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable, or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced

(including any appeal thereof) by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives. The Company shall require and shall cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to, by written agreement, expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws, any directors' and officers' insurance maintained by the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder and provided further, that the provisions of this Agreement shall apply retroactively as of the date such Indemnitee began service as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices.All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed, or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to:

President and Chief Executive Officer
Coherus BioSciences, Inc.
201 Redwood Shores Parkway, Suite 200
Redwood City, CA 94065

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by or on behalf of Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801 as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

COHERUS BIOSCIENCES, INC.	INDEMNITEE
By: _____	_____
Name:	Name:
Title:	Address:

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: 20

MEDPACE Project Number: CHS-0214-4

This Task Order, dated November 8, 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 certain initial services ("Services") as set forth hereinafter in connection with a A Double Blind, Randomized, Parallel Group, Active Control Study to Compare the Efficacy and Safety of CHS 0214 DP Versus Enbrel® in Subjects With Chronic Plaque Psoriasis (PsO) (CHS-0214-04) ("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 October 7, 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: Business Development Support Executive Director

Date: Dec. 6 2013

COHERUS BIOSCIENCES, INC.

Signature: /s/ Dennis M. Lanfear
By: Dennis M. Lanfear
(Print Name)
Title: President & CEO

Date: 12/5/2013

List of Appendices:

Appendix A: Scope of Work
Appendix B: Timeline
Appendix C: Budget

APPENDIX A: SCOPE OF WORK

SERVICES:

ITEM	DESCRIPTION	
	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]		
	[***]	[***]
	[***]	[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	

1.1 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.

			[***]	[***] [***]

1.2 CLINICAL OPERATIONS

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
[***]			[***]	
[***]			[***]	
[***]			[***]	
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
[***]			[***]	
	[***]		[***]	[***]

1.3 CLINICAL MONITORING

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	
	[***]		[***]	
	[***]		[***]	
	[***]		[***]	[***]

1.4 CLINICAL SAFETY

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]

1.5 [***] 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.

			[***]	[***] [***]
			[***]	[***] [***]

1.6 DATA MANAGEMENT

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
[***]			[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]

1.7 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.

APPENDIX B: TIMELINE

1. Timelines

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: BUDGET

Service Category	Direct Fees (USD)
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
Total Direct 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.

Prefunded & Pass-Through Expenses	Fee
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total Prefunded & Pass-Through Expenses	**[***]**

[***] 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:	**ETA304-CRO**	**Total Direct Fees**	**[***]**	
Sponsor:	**Coherus Biosciences, Inc.**			
Payment	**Payment/Description Type**	**Invoice Date**	**Amount**	**Percentage**
[***]	[***]	[***]	[***]	[***]
		Total of All Payments:	[***]	100%

* Invoicing for this milestone will occur on [***]

[***] 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, [***]. Costs associated with, [***] are as detailed in the table below.

[***] 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.

Item	Cost*	Description
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	
[***]	[***]	[***]
[***]	[***]	[***]

* Currency is [***]. Costs are subject to change based on [***].

MEDPACE will pass-through [***]. This will include [***].

Item	Cost	Description
[***]	[***]	[***]
[***]	[***]	

* Currency is [***]

[***] 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.

Pre-funded Expenses

Pre-funded Expenses may include, but are not limited to, [***]. 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.

APPENDIX E: TRANFER OF OBLIGATIONS

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Directions: Complete a form for each clinical study where Sponsor obligations 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-DPVersus Enbrel	Study ID:	CHS-0214-04
Study Title:	A Double Blind, Randomized, Parallel Group, Active Control Study to Compare the Efficacy and Safety of CHS 0214 DP Versus Enbrel® in Subjects With Chronic Plaque Psoriasis (PsO) (CHS-0214-04)		
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 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.

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 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.

(a) Other
- ☒ Please describe any other applicable transfers below:

Medpace Inc. will contract directly with the clinical trial investigators and sites, ensure the sites are trained on the protocol and study procedures, and carry out the study protocol as written. The study sites will enroll and manage subjects per study protocol, enter correct and accurate subject information into the clinical trial electronic case report form system, retain subject information and study drug supply information as noted above, and manage study blood samples as outlined in the study protocol. Site Investigator's are responsible for notifying the Institutional review board (IRB) of research activities and following IRB regulations of GCP. The site investigators are responsible for notifying Medpace Drug Safety, and the sponsor of safety information including the prompt notification of any subject serious adverse events. The investigators are also responsible to promptly notify the IRB of any serious adverse event per GCP and CFR.

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 #1 TO TASK ORDER #20

COHERUS Project Number: CHS-0214-04

MEDPACE Project Number: ETA304

This Amendment #1 ("Amendment #1") to Task Order #20 effective as of November 8, 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 "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 Chronic Plaque Psoriasis (PsO) 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 #20 is hereby amended to include MRL and [***] start-up services included in Appendix F attached to this Amendment #1.
2. Appendix C: Budget, attached to Task Order #20 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 D: Payment Schedule, attached to Task Order #20 is hereby amended to increase the [***] upfront payment of Pass-through Costs by [***], which increase is due upon execution of 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 [***] 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 #20	[***]	[***]	[***]	[***]
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: Chief Executive Officer

[***] 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 F: MRL AND [***] Services and Budget

Sponsor: Coherus Biosciences 23-Apr-14
Protocol: CHS-0214-04 Start-up

[***]		[***]
	[***]	[***]
	[***]	[***]
Total Medpace Reference Laboratories Fees		[***]

Medpace Reference Laboratories Fee Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-04 Start-up

[***]

		Number of Analyses Per Visit			
	Unit Cost	**Screening W-4**	**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 Pass Through Estimate

Sponsor: Coherus Biosciences
Protocol: CHS-0214-04 Start-up

Pass Through Estimates	Total Cost	Subtotal [***]
[***]		
[***]	[***]	
[***]	[***]	
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.

[***]
[***]

CONFIDENTIAL

[***]	[***]
[***]	[***]

Date, Version: [***]
Prepared by [***]: [***]
Prepared for [***]: [***]
Client & Protocol: Medpace – CHS-0214-04
Phase: III

[***]: [***] [***]: [***] [***]: [***] [***]: [***] [***]: [***]	Unit Price [***]	[***]	[***]	[***]	[***]	[***]	Total [***]
[***]: [***]				[***]	[***]	[***]	
[***]: [***]				[***]	[***]	[***]	
[***]: [***]				[***]	[***]	[***]	
[***]: [***]				[***]	[***]	[***]	
[***]				[***]	[***]	[***]	[***]
[***]				[***]	[***]	[***]	[***]
[***]				[***]	[***]	[***]	[***]
[***]							[***]
[***]							
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]		[***]	[***]				[***]
[***]							[***]
[***]							[***]
[***]				[***]	[***]	[***]	[***]
Total [***]							[***]

"[***].

Notes:
1. [***]
2. [***]
3. [***]
4. [***]
5. [***]
6. [***]
7. [***]
8. [***]
9. [***]
10. [***]
11. [***]

ASSUMPTIONS:
1. [***]
2. [***]

[***] Estimated Budget
CONFIDENTIAL
[***]: [***]

	[***]	[***]				
	[***]	[***]				
[***] **Date, Version: [***]** **Client Protocol: Medpace – CHS-0214-04** **[***]: [***]** **[***]: [***]** **[***]: [***]** **[***]: [***]**	**Unit Price [***]**	**[***]**	**[***]**	**[***]**	**[***]**	**Total [***]**
[***]						
[***]		[***]	[***]	[***]	[***]	[***]	[***]
	[***]					[***]
[***]						
[***]		[***]				[***]
[***]		[***]				[***]
	[***]					[***]
[***]						
[***]		[***]	[***]	[***]	[***]	[***]	[***]
[***]		[***]				[***]	[***]
	[***]						[***]
Total [***]							[***]

[***] Notes:
1. [***]

Additional [***] Clinical Trials Services

[***]		[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	

[***]	**Unit Price [***]**	**[***]**	**[***]**	**[***]**	**[***]**	**Total [***]**
[***]						
[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]		[***]
[***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]		[***]
[***]						
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]		[***]
Total [***]						[***]

[***] Notes:

[***] Estimated Budget

CONFIDENTIAL

[***]: [***]

	[***]	[***]
	[***]	[***]

[***]
Date, Version: [***]
Client Protocol: Medpace – CHS-0214-04
[***]: [***]
[***]: [***]
[***]: [***]
[***]: [***]

		Unit Price [***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]								
[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]							[***]
[***]								
	[***]							[***]
[***]								
[***]		[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]							[***]
Total **[***]**								[***]

[***] Notes:

1. [***]

Additional [***] Clinical Trials Services

[***]		[***]
[***]	[***]	
[***]	[***]	
[***]	[***]	

[***]	Unit Price [***]	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
[***]	[***]	[***]	[***]	[***]	[***]		[***]
Total [***]							[***]

[***] Notes:
[***]

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.

[***] Estimated Budget
CONFIDENTIAL
[***]: [***]

	[***]	[***]
	[***]	[***]

[***]
Date, Version: [***]
Client Protocol: Medpace – CHS-0214-04

[***]: [***] [***]: [***] [***]: [***] [***]: [***]	**Unit Price [***]**	**Unit Price [***]**	**[***]**	**[***]**	**[***]**	**[***]**	**Total [***]**
[***]							
[***]		See [***]	[***]	[***]	[***]	[***]	
		[***]					[***]
[***]							
		[***]					[***]
[***]							
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
		[***]					[***]
Total [***]							[***]

[***] Notes:
1. [***]

Additional [***] Clinical Trials Services

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***]	[***]	Unit Price	Unit Price [***]	[***]	[***]	[***]	[***]	Total [***]
[***]								
[***]	[***]		[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]		[***]	[***]	[***]	[***]		[***]
[***]	[***]		[***]	[***]	[***]	[***]		[***]*[***]*
[***]								
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Total [***]								[***]

[***] Notes:
[***]

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[***]

				[***]	[***]
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.

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 #20

COHERUS Project Number: CHS-0214-04

MEDPACE Project Number: ETA304

This Amendment #2 ("Amendment #2") to Task Order #20 effective as of November 8, 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 #2 shall be effective June 27, 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 "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 Chronic Plaque Psoriasis (PsO) to increase the Investigator Payment amount and the 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. The [***] Line item included under [***] category in Appendix C: Budget is hereby increased from [***] to [***]; and
2. The [***] line item included under [***] category in Appendix C: Budget is hereby increased from [***] to [***]; and
3. The [***] Line item is added under [***] category in Appendix C: Budget for [***] (collectively, the "Increase").
4. Appendix F: MRL and [***] Services and Budget attached to Amendment #1 is hereby deleted and replace by Appendix F attached to this Amendment #2.
5. 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 #20	[***]	[***]	[***]	[***]
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)
Title: Vice President 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.

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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-0214-04**

	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-0214-04**

	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests															[***]
[***]	[***]		[***]				[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]	[***]											[***]	[***]	
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-0214-04**

		[***]			[***]									
	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost	Subtotal
Laboratory Tests															[***]
[***]	[***]		[***]				[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]		[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]		[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]		[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]	
[***]	[***]												[***]	[***]	
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 Pass Through Estimate

Sponsor: **Coherus Biosciences**
Protocol: **CHS-0214-04**

		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	[***]	[***]	[***]	[***]	[***]		[***]		[***]		[***]		[***]
				[***]						[***]	[***]		
				[***]						[***]	[***]		
				[***]						[***]	[***]		
							[***]		[***]		[***]		[***]

[***] 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	[***]	[***]	[***]	[***]	[***]		[***]		[***]		[***]		[***]	
				[***]						[***]	[***]			
				[***]										
				[***]										
							[***]		[***]		[***]		[***]	[***]

[***] 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 #20

COHERUS Project Number: CHS-0214-04

MEDPACE Project Number: ETA304

This Amendment #3 ("Amendment #3") to Task Order #20 effective as of November 8, 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 #3 shall be effective September 5, 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 "Agreement"); and subsequent Amendment #1 effective April 23, 2014, and Amendment #2 effective June 27, 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 Chronic Plaque Psoriasis 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 will be deleted in their entirety and replaced with Appendices A, B, C, D, E, and F attached to this Amendment #3 and incorporated herein.
2. [***] is identified in Appendix G attached to this Amendment #3 and incorporated herein.
3. 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 #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 [***], as further set forth in the following table:

	Direct Fees	Pass Through Costs	Pre-funded Expenses	TOTAL
Task Order#20	[***]	[***]	[***]	[***]
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/ August Troendle

By: August Troendle
(Print Name)

Title: CEO

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.

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.

[***]	[***]
[***]	[***]

Investigator Meeting	Position	Count
[***]	[***]	[***]
[***]	[***]	[***]

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.

	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]

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.

				[***]	[***] [***]
[***]					[***]
[***]					[***]
[***]					[***]
				[***]	[***] [***]
				[***]	[***] [***]
				[***]	[***] [***]
				[***]	[***] [***]
[***]					[***]
				[***]	[***] [***]
				[***]	[***]

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.

	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]

CLINICAL SAFETY

[***]	[***]	[***]	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.

	[***]	[***]	
	[***]	[***]	[***]
	[***]	[***]	
	[***]	[***]	[***]
	[***]	[***]	[***]

RANDOMIZATION AND SUPPLY MANAGEMENT

[***]	[***]	[***]	ITEM	DESCRIPTION
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]
	[***]		[***]	[***]

DATA 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.

	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	
	[***]	[***]	[***]
	[***]	[***]	[***]
	[***]	[***]	[***]

[***] 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.

	[***]	[***]	[***]
[***]		[***]	[***]
[***]		[***]	[***]
[***]		[***]	[***]
[***]		[***]	[***]
[***]		[***]	[***]
	[***]	[***]	
[***]		[***]	[***]
[***]		[***]	[***]
[***]		[***]	[***]

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.

	[***]	[***]	[***]
	[***]	[***]	[***]

[***] 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

Medpace Service Category	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.

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
Total Service Fees	**[***]**

Prefunded & Pass-Through Expenses	**Fee**
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	**[***]**
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
Total Prefunded & Pass-Through Expenses	**[***]**

[***] 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-0214-04 / ETA304**	**Total Direct Fees:**	**[***]**	
Sponsor:	**Coherus Bioscience, Inc.**			

Payment #	Payment Description/Type	Invoice Date	Amount to Pay	Percentage
[***]	[***]	[***]	[***]	[***]
		Total of All Payments:	**[***]**	**100%**

* [***]
** [***]

[***] 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.

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 [***].

Sponsor paid [***] towards Pre-funded Expenses under Amendment #2 to Task Order #20. Upon execution of this Amendment #3, Sponsor will pay an additional [***] of the remaining total Pre-funded Expenses due per Appendix C: Services and Budget. [***]. Sponsor shall pay such invoice within [***] of receipt. [***] received from Sponsor, [***]. Medpace shall apply the initial [***] Pre-funded amount paid at execution of this Amendment #3 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
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***] 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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[***]	[***]	
[***]	[***]	[***]
[***]	[***]	[***]

* Currency is [***]. Costs are subject to change based on fluctuations in supplier prices.

MEDPACE will pass-through [***]. This will include a [***].

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 [***]

[***] 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.

[***]. 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.

Additional Costs

[***]

All Direct Fees are [***]. Pursuant to Paragraph 2, 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 10/6/2013
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

[***] 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.

[***]	[***]	[***]
[***]	[***]	[***]
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[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

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.

APPENDIX E: TRANSFER OF OBLIGATIONS - CONFIDENTIAL

Drug: CHS-0214-DPVersus Enbrel Study ID: CHS-0214-04

Study Title: A Double Blind, Randomized, Parallel Group, Active Control Study to Compare the Efficacy and Safety of CHS 0214 DP Versus Enbrel® in Subjects With Chronic Plaque Psoriasis (PsO) (RaPsOdy)

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 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.

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 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.

(a) Other

☒ Please describe any other applicable transfers below:

Medpace Inc. will contract directly with the clinical trial investigators and sites, ensure the sites are trained on the protocol and study procedures, and carry out the study protocol as written. The study sites will enroll and manage subjects per study protocol, enter correct and accurate subject information in the clinical trial electronic case report form system, retain subject information and study drug supply information as noted above, and manage study blood samples as outlined in the study protocol. Site investigators are responsible for notifying the institutional review board (IRB) of research activities and following IRB regulations of GCP. The site investigators are responsible for notifying Medpace Drug Safety, and the sponsor of safety information including the prompt notification of any subject serious adverse events. The investigators are also responsible to promptly notify the IRB of any serious adverse event per GCP and CFR.

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.

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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-0214-04**

	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-0214-04**

	Unit Cost	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	Total Number of Units	Cost		Subtotal
Laboratory Tests															[***]	
[***]	[***]		[***]				[***]	[***]		[***]		[***]	[***]	[***]		
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]		
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]		
[***]	[***]	[***]	[***]		[***]	[***]	[***]	[***]		[***]		[***]	[***]	[***]		
[***]	[***]	[***]			[***]	[***]	[***]	[***]		[***]			[***]	[***]		
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-0214-04**

					[***]											
							[***]									
		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 Pass Through Estimate

Sponsor: **Coherus Biosciences**
Protocol: **CHS-0214-04**

		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 – ETA304 Sc. 1

Country	Sites	Number Screened	Number Randomized	Number Ambient / Refrigerate shipments	Number Frozen Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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.

Transportation Costs-ETA304 Sc. 1 **[***]**

Country	Sites	Number Screened	Number Randomized	Number Ambient / Refrigerate Shipments	Number Frozen Shipments	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	
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.

APPENDIX G: [***]

The table below reflects [***] included in this Amendment #3. Any [***] may require [***].

	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
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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.

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 (except for the last paragraph of Note 1, as to which the date is October X, 2014), in Amendment No. 3 to the Registration Statement (Form S-1 No. 333-198936) and related Prospectus of Coherus BioSciences, Inc. for the registration of 7,240,745 shares of its common stock.

Ernst & Young LLP

Redwood City, California

The foregoing consent is in the form that will be signed upon the effectiveness of the reverse stock split as described in the last paragraph of Note 1 to the consolidated financial statements.

/s/ Ernst & Young LLP

Redwood City, California
October 24, 2014